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The Competitiveness and Trade Expansion Program

A REGIONAL STRATEGY FOR THE COTTON, TEXTILE AND APPAREL VALUE CHAIN IN EASTERN AFRICA

**A PRACTICAL APPROACH TO ENHANCING QUALITY AND
BUILDING REGIONAL LINKAGES**

September 30, 2010 (Revised)

A REGIONAL STRATEGY FOR THE COTTON, TEXTILE AND APPAREL VALUE CHAIN IN EASTERN AFRICA

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Contents

Section I: Background to the Regional Strategy	1
A. Defining Regional Strategy	1
Section II: Refocusing the Regional Cotton, Textiles and Apparel Strategy	3
A. Getting to a Manageable Set of Priorities	3
B. Regional Strategic Priorities and Key Initiatives.....	6
1. Quality and Productivity Enhancement and Industry Differentiation.....	7
a) Develop Quality Standards, Standardization and Systems across the Value Chain	7
b) Develop the Industry’s Technical and Human Resource Capacity	7
c) Address Emerging Industry Standards and Target Appropriate Channels/Products ...	8
d) Ensure Seed Authenticity and Regional Availability	8
e) Promote good agricultural practices and train farmers/ginners to improve productivity	8
2. Market Information and Access	8
a) Institutionalize Regional Supply-side Information System	8
b) Strengthen Regional and International Market Linkages	8
c) Facilitate External Market Access	9
3. Trade Policy	9
a) Improve Intra-regional Policy Environment.....	9
Section III: Detailed Strategy Implementation Plans.....	10
A. Quality and Productivity Enhancement and Industry Differentiation	10
1. Develop Quality Standards, Standardization and Systems across the Value Chain ..	10
2. Develop the Industry’s Technical and Human Resource Capacity	13
4. Ensure Seed Authenticity and Regional Availability.....	15
5. Promote good agricultural practices and train farmers/ginners to improve productivity	16
B. Market Information and Access	17
1. Institutionalize Regional Supply-Side Information System	17
2. Strengthen Regional and International Market Linkages.....	19
3. Facilitate External Market Access.....	20
C. Trade Policy	21
1. Improve Intra-regional Trade Policy Environment.....	21
Appendix 1: 2009 COMESA Regional Strategy for the Cotton-to-Clothing Value Chain	23

Section I: Background to the Regional Strategy

The Regional Cotton, Textiles and Apparel Strategy that follows builds on the work that was done by the region's stakeholders to develop the COMESA Cotton-to-Clothing (C-t-C) strategy (see Annex 1 for a copy of the COMESA C-t-C strategy) and was adopted by the COMESA Heads of State in June 2009. The COMESA strategy reflects the choices made as a result of analysis of the sector's key constraints and a dialogue with regional stakeholders. It also details the interventions and initiatives required to drive progress against key priorities.

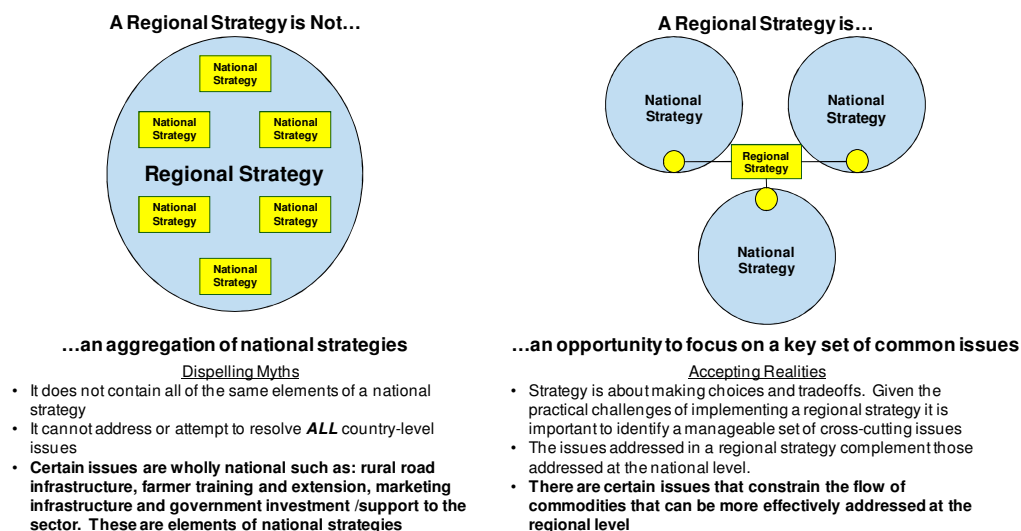
A. Defining Regional Strategy

Competitiveness is generally defined as the ability to efficiently produce goods and services for which there is high demand that leads to higher standards of living that are sustainable in the future. Strategy is about choice — choosing what to do to build competitiveness from a long list of viable options. This process requires making difficult decisions around what not to do as much as it entails choosing what to do.

Moving away from the traditional approach to competitiveness. Developing a regional value-chain strategy is a novel undertaking in the field of competitiveness. Historically, value-chain competitiveness strategies have been developed at the national level where the players (private and public sector) are known to and familiar with each other, where constraints/challenges and priorities are well understood and where interests, which may initially be divergent, can be aligned provided the facts are well articulated, strategic alternatives/objectives are easily understood, and a strong case is made for the benefits of collaboration. This familiarity within national value chains makes it easier to get people moving in the same direction, to agree to a unique strategic positioning, and to design public and private sector interventions to deliver on the strategic vision.

Looking at value-chain competitiveness through a regional lens required USAID COMPETE to rethink the traditional, national competitiveness strategy archetype and develop a new approach that differentiates between issues that are national in nature and those that are best addressed from a regional perspective. **Error! Reference source not found.** below details USAID COMPETE's approach to regional strategies and how it addresses national issues.

Exhibit 1: Understanding Regional Strategies



This regional recasting of the strategy methodology allowed USAID COMPETE to keep the process manageable and to focus on areas of convergence and those key drivers of regional competitiveness

that cut across countries. USAID COMPETE used a simple filter as the first step in identifying national issues and to help narrow down the universe of potential regional priorities. Issues that either facilitate or impede the flow of products (inputs, raw commodities, processed goods, etc.) cross-border were labeled regional. Whereas issues that are fixed within a country's borders or are governed solely by national policies or regulations were considered national. Certain issues such as finance and transit that impact all sectors in a similar way and that could be difficult to address solely within the context of a regional staple foods strategy were considered outside the scope of the regional strategy; however, where specific finance and transit issues touch or are central to key value-chain priorities, they feature.

Error! Reference source not found. below identifies some potential regional and national issues. It is, however, important to note that this list is not completely mutually exclusive and that there will be some natural cross pollination between regional and national issues, particularly as the on-the-ground national implementation of many regional initiatives will rest with national organizations. Successful implementation will require close collaboration and coordination between regional and national entities.

Exhibit 2: Distinguishing Regional and National Issues

Potential Regional Issues	National Issues
<ul style="list-style-type: none"> • Trade policy • Knowledge (e.g., sector/market information, research and development — management • Auctions and commodities exchanges • Transit • Finance • Quality (grades, standards, and certifications) • Regional and international market linkages and networks • Productivity enhancement 	<ul style="list-style-type: none"> • Extension services and farmer training • Government support to sector (budget commitments, investment incentives, input supply system support) • National infrastructure (road/rail network, electricity) • Marketing infrastructure (processing, milling, etc.) • Building local research and development capacity (training and funding) • Land tenure systems/property rights

USAID COMPETE also adapted the strategy process to account for the added complexities that arise when more than one country is involved in the process. Although the national-level strategy process is not simple by any means, the factors listed below, which complicate the regional strategy development process, are not present at the national level:

- Divergent national/government interests
- Balancing regional v. national interests
- Conflicting trade policies, regulatory regimes, standards policies, etc., such as varying degrees of government intervention in agricultural markets
- Inconsistent regional economic community membership
- Varying stages of national/value-chain development
- Limited cross-border value-chain links
- Addressing issues of national sovereignty and managing work with multiple countries' ministries, regulatory bodies, customs agencies, bureaus of standards and private sectors
- Disparities in market dynamics and marketing infrastructure

Although these issues make developing a regional strategy challenging, they further complicate the difficult task of coordinating and implementing strategic initiatives. USAID COMPETE therefore determined that detailed implementation plans that provide activity/task-level detail and clearly present the logical flow of implementation activities from regional to national implementation (and vice versa) would be critical for the strategy to achieve its goals. These detailed plans can be found in Section III.

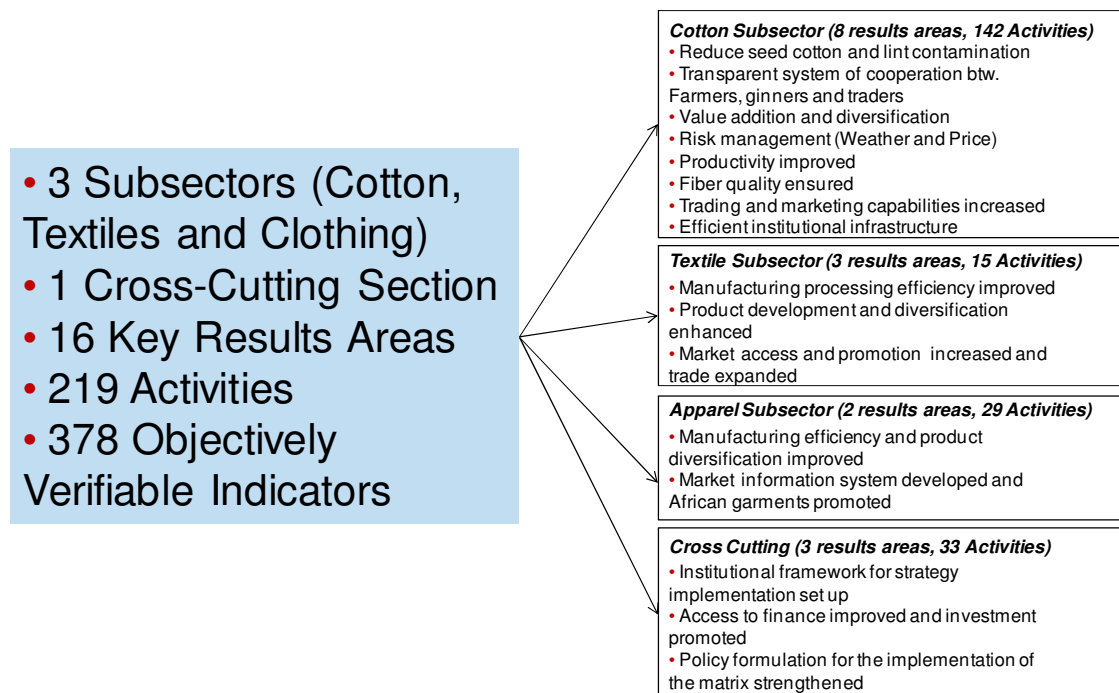
Section II: Refocusing the Regional Cotton, Textiles and Apparel Strategy

A. Getting to a Manageable Set of Priorities

The COMESA Cotton-to-Clothing strategy was the culmination of two years of stakeholder consultation that began in 2007. The resulting strategy reflects the collective knowledge of key industry stakeholders drawn from across the region and which represented a cross-section of the cotton, textiles and apparel value chain. The document is a comprehensive assessment of activities designed to enhance competitiveness across each component of the value chain and is based on a thorough assessment of the constraints facing the industry as well as the opportunities. The development of this strategy, which was initiated and led by the USAID RATES program in close collaboration with ACTIF and COMESA was completed with the support of USAID COMPETE when the project launched in March 2009.

Because so much time and effort went into the development of the regional strategy, there was very little desire among stakeholders to revisit the strategic priorities and/or develop a new strategy. However, it became clear soon after the strategy was adopted that many stakeholders were disheartened by the slow pace of implementation and lack of coordination across key initiatives. The general belief among stakeholders was that the strategy was too broad, did not provide sufficient implementation detail to guide regional and national partners and was not well coordinated. **Error! Reference source not found.** below provides a brief summary of the strategy broken down by each value chain component.

Exhibit 3: The COMESA Strategy - a by the Numbers Look



As the numbers indicate, the COMESA strategy is extremely comprehensive and addresses most of the issues impacting the region's CTA sector. However, because it is so comprehensive and because it is so broad, many of the issues it addresses are more appropriately managed at the national level by national value chain participants and cotton development authorities. Issues related to production and strengthening relationships between producers and ginners are local issues that require solutions designed for unique national circumstances. As was discussed at the

very beginning of this document, strategy is as much about the things you choose not do as it is about what you choose to do. It is the process of making those difficult choices and tradeoffs regarding strategic priorities that help determine the effectiveness of a strategy. Responding to regional stakeholders who felt let down by the slow pace of implementation of the COMESA strategy, USAID COMPETE, working closely with both ACTIF and COMESA undertook an initiative designed to address the stakeholders concerns, to refine/refocus the strategy to a manageable set of top-of-mind issues that are truly regional and to develop the practical and detailed implementation plans that were missing from the original COMESA document. It was made very clear from the beginning that the USAID COMPETE/ACTIF/COMESA initiative was not an attempt to circumvent or replace the already-adopted COMESA strategy but rather was an attempt to develop solutions to regional issues that could be easily implemented and more effectively managed regionally.

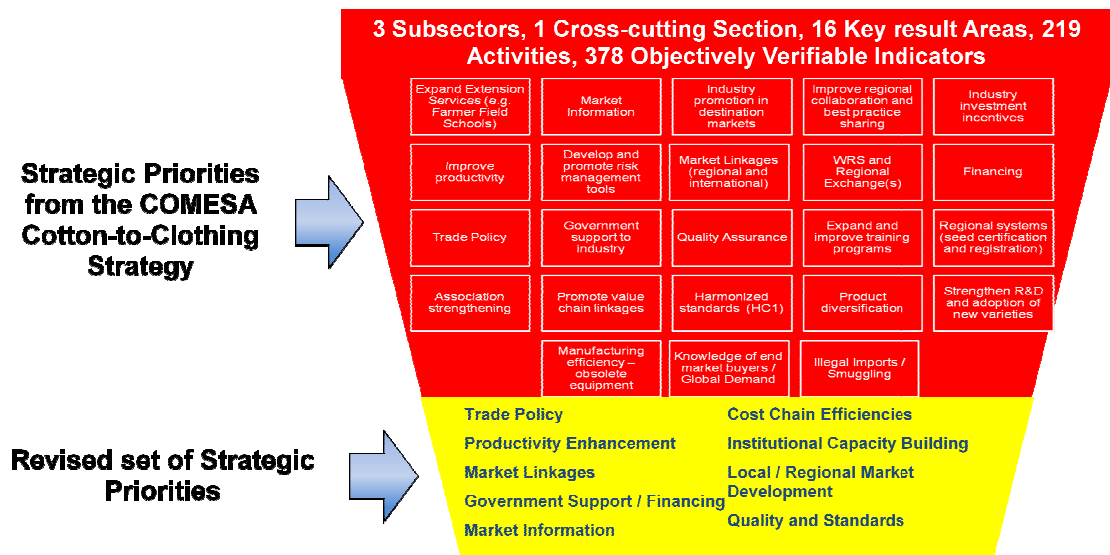
In April 2010 COMPETE held a meeting of 56 stakeholders drawn from around the region to discuss issues impacting the competitiveness of the CTA value chain. Because many of the participants contributed to the development of the COMESA strategy and were intimately familiar with its contents, the discussions centered on those priorities identified in the strategy. **Error! Reference source not found.** below captures the high-level issues addressed in the COMESA strategy that were the foundation of the April discussion.

Exhibit 4: COMESA Strategy Issue Summary

Expand Extension Services (e.g. Farmer Field Schools)	Market Information	Industry promotion in destination markets	Improve regional collaboration and best practice sharing	Industry investment incentives
Improve productivity	Develop and promote risk management tools	Market Linkages (regional and international)	WRS and Regional Exchange(s)	Financing
Trade Policy	Government support to industry	Quality Assurance	Expand and improve training programs	Regional systems (seed certification and registration)
Association strengthening	Promote value chain linkages	Harmonized standards (HC1)	Product diversification	Strengthen R&D and adoption of new varieties
	Manufacturing efficiency – obsolete equipment	Knowledge of end market buyers / Global Demand	Others?	

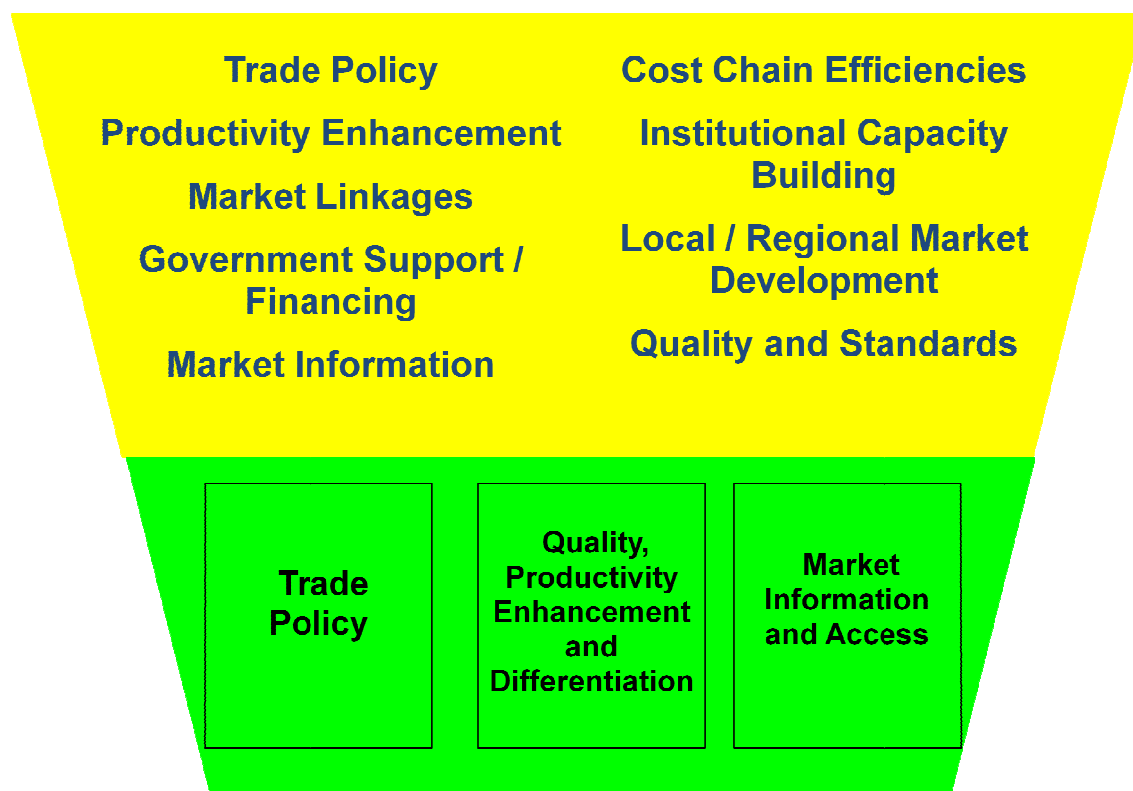
Based on the discussions, the group agreed on a more manageable set of highest priority issues that must be driven if the region's CTA sector is going to become more competitive. **Error! Reference source not found.** below tracks the strategic prioritization process from the meeting. The COMESA strategic issues are summarized in the **red** section, while the **yellow** section captures the narrowed down list of 9 priority areas agreed by the stakeholders.

Exhibit 5: April 2010 Strategic Prioritization



Following on from the April meeting, USAID COMPETE, met with regional stakeholders to further narrow the set of strategic priorities. The group looked for common themes within the nine priorities and arrived at the final set of three strategic priorities highlighted in **green** in **Error! Reference source not found.** below.

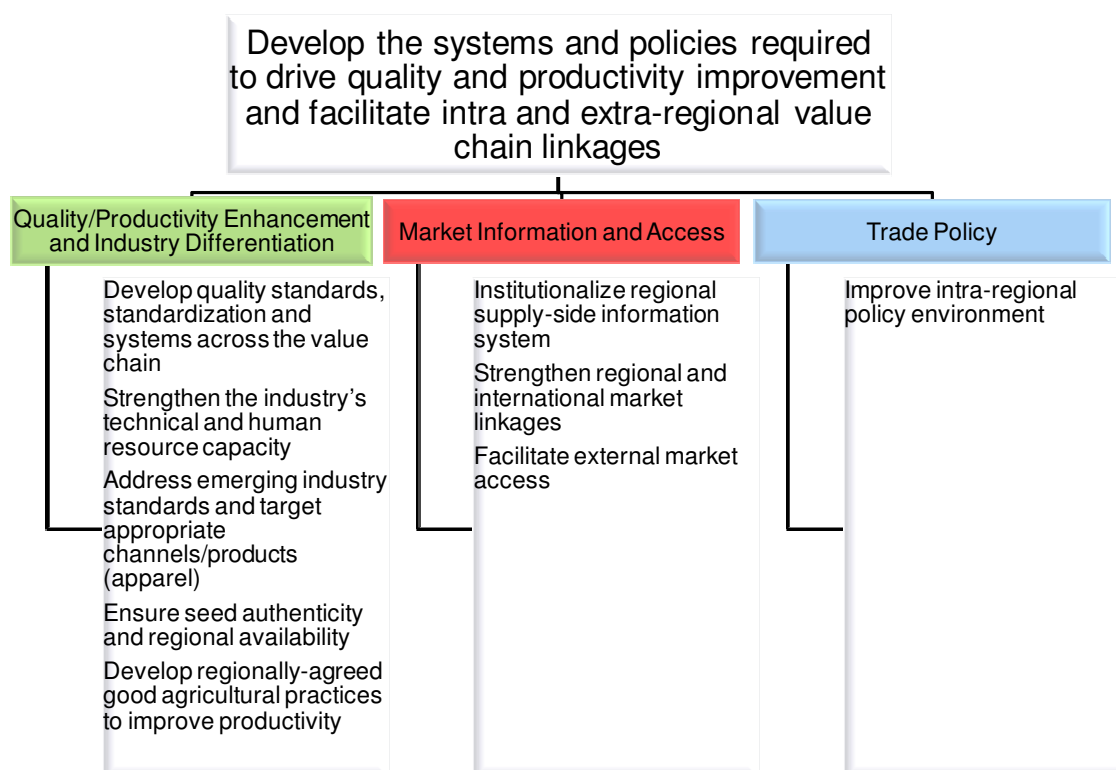
Exhibit 6: Grouping the Revised Strategic Priorities



B. Regional Strategic Priorities and Key Initiatives

The three strategic priorities that USAID COMPETE identified were presented to the COMESA Strategy Implementation Committee in June 2010, after which USAID COMPETE was mandated to develop the detailed implementation required to drive progress against each of these priorities; however, in order to develop the detailed implementation plans for each of the three priorities that address the key issues and constraints impacting the CTA value chain, tough decisions had to be made regarding the initiatives to focus on within each priority. USAID COMPETE, again, working closely with ACTIF and COMESA developed a draft set of key focus areas within each priority as well as detailed implementation plans designed to deliver results at both the regional and national level. These draft plans were presented to a group of stakeholders for validation. Exhibit 7 below provides a summary of the key initiatives within each priority.

Exhibit 7: Summary of Regional Strategic Priorities



Below is a brief introduction to the various initiatives. Section III contains the detailed implementation plans for each strategic priority.

1. Quality and Productivity Enhancement and Industry Differentiation

a) Develop Quality Standards, Standardization and Systems across the Value Chain

While African cotton has some comparative advantages in the world market, such as the intrinsic quality of its fiber and the fact that it is handpicked, some African cotton trades at a discount on the market compared to the machine-picked competitors, as a result of its reputation for below average quality due to foreign matter contamination, inadequate quality control systems and inefficient/inconsistent fiber classification systems. Regional efforts to improve overall quality and consistency would improve both fiber marketability and seed cotton returns for the farmer. The regional strategy focuses on specific areas that address the issues of quality and contamination, specifically: the harmonization of lint fiber classification systems, the development of regional pre-ginning classification systems to improve uniformity, the development/implementation of regional contamination management training programs, the development of regionally consistent regulations controlling contamination and value chain awareness efforts designed to improve firm-level understanding of international standards as well as quality control systems.

b) Develop the Industry's Technical and Human Resource Capacity

To maximize the growth across all sectors of the value chain, Eastern African countries will need to invest substantially in efforts to enhance industry performance and competitiveness through improved productivity, processing and manufacturing efficiency. The regional strategy focuses on the human resources capacity component with an emphasis on building the capacity of the region's training institutions to deliver training that meets international best practices and improve the overall skills of the CTA workforce. This work will entail international institutional benchmarking, industry assessments and curriculum upgrade.

c) Address Emerging Industry Standards and Target Appropriate Channels/Products

With the changing dynamics in traditional markets' retail sectors, the ability to adapt to channel/products trends and changing consumer behavior and preferences as well as targeting opportunities that fit within a particular firm's competencies will be critical for Eastern Africa's firms as they try to become more competitive and build their capacity. The regional strategy seeks to reposition the CTA value chain to capitalize on rapid growth in niche markets for ethically produced products in the market place. It focuses on building awareness of trends in ethical production and on establishing linkages with key "certifying" agencies while working with them to establish local certifying agents.

d) Ensure Seed Authenticity and Regional Availability

The breakdown of many regulatory structures since liberalization in most cotton producing countries has led to the deterioration of control mechanisms that controlled areas critical to the success and competitiveness of the region's cotton sector, specifically varietal development and oversight of seed quality/multiplication. As a result, inadequate volumes of certified seed are available, sale of fake seeds is rampant and yields across the region are well below what is technically possible with existing regional seed varieties. The focus of the regional strategy is on rebuilding regional seed development capacity and expanding regional varietal development efforts that leverage existing genetic materials/varieties. It also seeks to develop regulations that ensure simultaneous national adoption for regionally developed and approved seed varieties. It also addresses regional distribution through a licensing effort that would include private sector players.

e) Promote good agricultural practices and train farmers/ginners to improve productivity

With the liberalization of the cotton sector in the region, institutional support to farmers including extension and other support services has virtually disappeared. Consequently, poor agronomic farming practices and low yields, combined with poor and inefficient input distribution systems, has led to a decline in production and profitability. The regional strategy will focus on inventorying the region's agronomic training materials and the latest information on pest management and the development of a regional manual. Central to the success of this initiative will be the identification of key national-level partners with the on-the-ground networks and resources necessary to conduct farmer trainings and disseminate materials.

2. Market Information and Access

a) Institutionalize Regional Supply-side Information System

In order to promote trade and increase market access for Eastern Africa's cotton, textile and apparel sectors, an integrated regional market information system is required. The regional strategy will first focus on analyzing the existing supply chain, identifying potential regional product manufacturing strengths and weaknesses, highlighting gaps in the institutional structures and communication channels, and working with national-level associations to develop an integrated electronic database to capture and disseminate information. To ensure consistency, comparability and accuracy, a harmonized regional data collection methodology will be developed with training conducted for national level partners.

b) Strengthen Regional and International Market Linkages

As a foundation for trade facilitation, associations and companies throughout the region will be connected through the MIS platform developed, which will include market, trade and production information. The model will provide a source of information for buyer/seller matchmaking to grow exports, encourage regional integration, facilitate transfer of knowledge, identify trade opportunities and promote the development of a regional supply chain. One important element of the regional strategy will be to An important part of the strategy will be to integrate the CTA value chain with the ECA Trade Hub, providing firm level technical assistance when appropriate, and expand trade in global markets.

c) Facilitate External Market Access

To enhance competitiveness, increase market diversification and minimize market risk, a strategy for the region will be to exploit the opportunities afforded under existing preferential trade agreements; as the ECA Trade Hub, under USAID COMPETE, provides information to the textile and apparel sectors on market access to the US under AGOA, the strategy focuses on market access to the European Union (EU) and other countries covered by Free Trade Agreements (FTA's). A key strategy will be to create awareness of the provisions and modalities of these agreements, the EU Economic Partnership Agreement in particular, and to consider the development of an "EU Trade Hub" to promote EU trade.

3. Trade Policy

a) Improve Intra-regional Policy Environment

Inconsistent trade policies that are not harmonized within and across the various regional economic communities serve to suppress intra-regional trade among CTA value chain players. It is therefore imperative that the CTA value chain is sufficiently represented in all trade negotiations with the Eastern and Southern Africa's RECs. The regional strategy focuses on several key issues impacting sector competitiveness. Significant emphasis has been placed on securing a harmonized Common External Tariff for CTA products across the EAC, COMESA and SADC. The strategy also seeks to develop systems to monitor and report CTA-specific non-tariff barriers as a means of influencing trade policy decisions. Finally, the strategy is also designed to ensure that the CTA sector has a seat at the table at the Tripartite discussions and that key issues such as Rules of Origin are adequately addressed.

Section III: Detailed Strategy Implementation Plans

A. Quality and Productivity Enhancement and Industry Differentiation

1. Develop Quality Standards, Standardization and Systems across the Value Chain

COMESA STRATEGY MAPPING KEY							
<div> <div>Cotton Sub-Sector</div> <div>Textile Sub-Sector</div> <div>Clothing/Apparel Sub-Sector</div> <div>Cross-Cutting Areas</div> </div>							
1 Develop Quality Standards, Standardization and Systems across the value chain							
COMESA Strategy							
KRA	Activity	Critical Issue	Objective	Actions	Coordinator	Lead	Support
83, 100-101, 103-6, 7	105 A	Standardize system of classifying fiber	100% of cotton fiber HVI certified	Map and update existing regional testing centers and those that are signed on to the HVI program and better understand goals for the program		ICAC	
				Where there are gaps in coverage work with existing or potential labs to sign on to the program and help build capacity (equipment or training) to adopt classification system		ICAC/CFC	
				Secure MOUs amongst Bureaus of Standards that harmonize testing standards			
				Promote 100% accreditation of regional testing centers in Tanzania and elsewhere. Promote Tanzania facility as REGIONAL facility and not just a Tanzania facility		National Facilities	Independent certification agencies
				Promote HVI classification adoption in national regulatory regimes across the region		COMESA	National Regulatory
				Leverage existing materials to develop an information package for HVI that targets ginners/traders that includes region-specific information (e.g. certified testing centers, etc.)		COMESA, ACTIF, ICAC, CFC	
				Work with national ginners associations to promote adoption of HVI within ginner/trading communities		National Associations	Regulatory Bodies
				Disseminate HVI classification information directed at spinners and containing information on the HVI program		ACTIF	
				Monitor adoption at national and regional level		ICAC (CSIC)	

KRA	Activity		Critical Issue	Objective	Actions	Coordinator	Lead	Support
No	6	Activities	B	Pre-ginning classification	Improve uniformity of fiber characteristics within each lot	Develop set of pre-ginning classification guidelines for ginners based on regional best practices		COMPETE
					Identify national level implementing partners to support training in pre-ginning classification		ACTIF / National Associations	
					Roll out national-level trainings to ginners and spinners	ACTIF	Nat'l Assns and Regulators	EU (TZ), CFC (KE and Moz), FAO
					Use pre-ginning classification guidelines to inform national seed cotton grade standards that address: maturity levels, trash, stickiness, color/stain, staple length and work with regulatory bodies to promote pre-ginning classification	ACTIF	National Regulators	
					Identify lead ginners and spinners and work with them on adoption/implementation of pre-ginning classification	ACTIF	National Associations	Specific Bilateral Funders/Implementers
1	1, 3, 6		C	Contamination	Eliminate contamination in seed cotton from the region and improve the region's reputation as a supplier	Undertake desktop review of recent Bremen (chemical residues) and ITMF (foreign Matter) contamination surveys as well as surveys conducted in Thailand, Bangladesh and Indonesia to baseline region and identify key sources of contamination from the region		ITC
					Conduct assessment of existing regulation regarding contamination within COMESA. Is it in place? Is it being enforced?			
					Engage textile mills and spinners to better quantify cost and implications of processing contaminated cotton to show ginners the impact			
					Develop information packet on best practices for managing contamination			Regulatory bodies
					Work with ginners and regulatory bodies to understand impact on price and national reputation from supplying contaminated cotton			

		Critical Issue	Objective	Actions	Coordinator	Lead	Support
		Contamination (Continued)		Identify national training partners (with sufficient reach and funding) and conduct Regional ToT in contamination management			
				Conduct national ToT for lead ginners to roll out training to farmer organizations in catchment zones			
				Monitor farmer-level training			
				Present guidelines/recommendations to COMESA Ministers or Agriculture and Policy Organs for member states to adopt regulations controlling contamination			
				National implementation of contamination regulations in the national seed cotton grading standards regulation			
				National regulatory agency support for implementation / enforcement of contamination regulation (zero tolerance policy for ginners)			
				Implement national awareness campaigns to inform value chain of new regulations		Regulators, Assns and Bilaterals	ACTIF, COMESA, COMPETE
				Promote contamination management guidelines, enforcement policies, etc. with ginners, local buyers and international buyers			
				Undertake South-South Cooperation to link international spinners with local ginners			
26, 108-2, 7	109	Create awareness of internationally acceptable quality control systems for textiles and clothing	Elevate suppliers' awareness of internationally acceptable systems and reduce costs	Inventory latest quality control systems across the entire value chain (spinning, knitting and weaving, dyeing and finishing, apparel)			
3	11			Package international systems/procedures information materials			
2	17			Work with national implementing partners to disseminate to value chain			
			Expand Suppliers capacity to meet buyers' needs	Develop information package for value chain participants in areas such as: merchandizing, regulation, quality, etc.			
				Convene national training workshops to conduct value chain training			

		Critical Issue	Objective	Actions	Coordinator	Lead	Support
	E	Create awareness of international buyers' standards and promote niche markets for	Ensure awareness of key industry and corporate standards and promote compliance among the	Inventory latest buyers' quality control standards, environmental standards, social compliance standards			UNIDO
				Disseminate standards to regional value chain players		ACTIF / National Associations	

2. Develop the Industry's Technical and Human Resource Capacity

COMESA Strategy Mapping	2 Develop the industry's technical and human resource capacity						
KRA	Activity	Critical Issue	Objective	Actions	Coordinator	Lead	Support
1	1-4 and 6	Improve skills of workforce	Develop capacity of training institutions to provide current training programs	Inventory regional textile and apparel training institutions and assess their capacity to train relative to leading international institutions		ACTIF	
1	3-5			Engage textile and apparel companies to better understand human resource shortfalls and industry needs		ACTIF	National Associations
1, 8	15, 135			Engage National Training Institutions			
				Convene regional forum of training institutions to initiate training improvements that address specific needs across the value chain and identify regional centers of excellence for specific skills		ITC, UNIDO, UNCTAD	International training institutions
				Support institutions' curricula upgrading/modernization that adhere to international best practices			
				Create awareness within national value chains of regional training programs and institutes		ACTIF, ITC, UNIDO, UNCTAD	
				Promote regional training programs with international buyers		ACTIF, ITC, UNIDO, UNCTAD	

3. Address Emerging Industry Standards and Target Appropriate Channels/Products (Apparel)

COMESA Strategy Mapping	3	Address emerging industry standards and target appropriate channels/products (apparel)					
KRA	Activity	Critical Issue	Objective	Actions	Coordinator	Lead	Support
3	9-11, 15	A	Reposition the Region's CTA value chain to capitalize on rapid growth in niche markets for	Promote ethical production as a differentiating initiative	Conduct assessment of current and projected end-market trends/demand for various certification programs and socially/environmentally responsible products		
	8-10, 15, 2				Convene meeting of regional value chain to present findings of the report, present market direction and get industry buy-in to the ethical production focus	ACTIF	COMPETE, SATH,
	78, 108, 5				Incorporate ethical production as a focus in the inaugural Fiber to Fashion event		
	B		Develop relationships with key "certifying" organizations	Identify and engage key partners for pushing the ethical initiative forward	ACTIF		WRAP, BCI, Fair Trade, Various ECO and Green certs.
				Create linkages between region and key certifying bodies and develop MOUs to provide discounts to members			
				Work with certifying bodies to establish local certifying agents as a means of reducing costs			
	C	Limited capacity of the region's firms to meet buyer requirements	Help the region's firms understand new distribution channels and new products - including buyer requirements (pre and post production)	Conduct assessment of US end-market demand across all apparel product categories (HS Codes: 61, 62 and 63) and retails sector trends		COMPETE	
				Provide firm-level technical support to select regional manufacturers to strengthen their capacity to meet customer requirements in specific product categories that are appropriate given their existing capacity		COMPETE	
				Work with US buyers to identify supply sources that have the capacity to meet their requirements		COMPETE	

4. Ensure Seed Authenticity and Regional Availability

Strategy Mapping	4	Ensure seed authenticity and regional availability					
KRA	Activity	Critical Issue	Objective	Actions	Coordinator	Lead	Support
	A		Ensure that appropriate and authentic seed materials are available across the region and that genetic material	Inventory of regional seed varieties across the key characteristics of distinctiveness, uniformity, strength, micronair and staple length			
				Present inventory findings at regional meeting of cotton researchers to launch regional varietal development efforts			
				Understand regulatory environment and work with RECs to ensure regionally developed varieties are simultaneously approved by national seed boards			
				Work with ASARECA, SECAF, ASARECA, EAC to agree intellectual property modalities for regionally developed varieties			
				Coordinate development of new adaptable varieties based on spinners requirements and the region's climatic conditions			
				Conduct National-level on-farm trials			
				Secure approval at national level			
	B		Secure regional supply base	Develop sufficient bulking material			
				Identify and contract seed multipliers across the region			
				Conduct regional licensing effort to establish distinct distribution zones			
	C		Promote varieties at national level through demonstration	Hold event to launch regional variety and market nationally in print media			
				Identify national level partners with extensive farmer networks and develop demonstration programs			
				Monitor sales of new variety and impact on farmer yields and overall quality			

5. Promote good agricultural practices and train farmers/ginners to improve productivity

COMESA Strategy Mapping	5	Promote good agricultural practices and train farmers/ginners to improve productivity					
KRA	Activity	Critical Issue	Objective	Actions	Coordinator	Lead	Support
			Ensure regional dissemination of best	Inventory regional agricultural practices training materials and latest information on pests, pesticides, etc.			FAO, CFC, IFTC
				Using existing resources, develop a regional manual for agricultural best practices that includes agronomy, integrated pest management, fertilizer usage, post-harvest, quality and grading, contamination, plant disposal/burning, crop rotation, etc.			FAO
				Distribute training materials to ginners associations and where appropriate farmers associations			
				Identify additional national level partners to supplement ginner training and conduct regional ToT			
				Monitor trainings to ensure grassroots dissemination			

B. Market Information and Access

1. Institutionalize Regional Supply-Side Information System

COMESA STRATEGY MAPPING KEY

Cotton Sub-Sector

Textile Sub-Sector

Clothing/Apparel Sub-Sector

Cross-Cutting Areas

COMESA Strategy Mapping	1 Institutionalize Regional Supply-side Information System							
KRA	Activity		Critical Issue	Objective	Actions	Coordinator	Lead	Support
1, 4, 7, 8	13, 52, 56, 106, 130	A	Leverage existing network of service providers to create an integrated regional platform	Cotton Africa becomes the hub of regional market information system	Identify all national and regional information service providers and map existing capabilities and gaps Agree set of critical data to be collected Reach out to national associations, private sector players and other national information service providers and secure buy-in to regional MIS platform Develop initial regional platform model based on existing coverage systems			
2	8,9				Identify and approach potential technical and technological partners to support program development (USDA, Google, etc.) Work closely with selected technical/technological partners to develop a system capable of supporting the regional model Identify appropriate technology platforms for reaching all users of price information (farmers, ginners, regional and international buyers, etc.)			
1	10							
		B	Provide transparent, timely, accurate, consistent and relevant data and analysis	Harmonize data collection methodology and ensure consistent training of	Inventory existing data collection systems/methodologies both within and outside the region Develop and harmonize data collection methodology to address both real-time (current) and historical data and define clear parameters for the various data to help identify anomalies Present proposed methodology to national partners for comment/feedback			

KRA	Activity	Critical Issue	Objective	Actions	Coordinator	Lead	Support
		Provide transparent, timely, accurate, consistent and relevant data and analysis		Develop common data collection templates (ensuring simplicity)			
				Produce data collection guideline manual			
				Train all national operators in new system as part of ToT training and build capacity among key service providers			
				Disseminate data collection tools and collection manuals to national focal points and key data suppliers e.g. Bureaus of Statistics, etc.			
				Ensure national partners and enumerators have the right tools			
				Train national and regional operators in data analysis to ensure consistency			
				Roll out training at national level to key stakeholders (MoAs, enumerators, bureaus of statistics, etc.)			
				Ensure appropriate tools and technologies are provided to enumerators			
	C	Create integrated system to collect, upload, compile and analyze data	Integrated electronic system that minimizes potential for human error and	ACTIF and ACA sign formal agreement			
				Continue to make back end of Cotton Africa's service more flexible to allow for greater functionality and expansion (DESIGN FOR THE FUTURE)			
				Upgrade national MIS systems to complement regional system - ensure capacity for integration			

2. Strengthen Regional and International Market Linkages

COMESA Strategy Mapping		2 Strengthen Regional and International Market Access					
KRA	Activity	Critical Issue	Objective	Actions	Coordinator	Lead	Support
1, 3, 7, 10, 108, 112, 131, 10-15, 11-13, 20, 22, 24, 26, 28, 29	A	Build awareness of regional supply capacity both regionally and internationally	Increase intra-regional and extra-regional trade	Create awareness campaigns highlighting resources available on the continent			
				Promote ACTIF trade bulletin board as a key linkage resource			
				Support national value chain players and associations to develop national road shows			Export Promotion Agencies
				Organize regional buyer-seller meetings			
				Work with regional suppliers (at the sub-regional level) to address their current production situation and potential opportunities within the context of changing regional and international demand. Linking them with regional buyers		COMPETE	
	B	Strengthen institutional capacity in linkages and information	Ensure key institutions are capable of delivering valued services to constituents	Develop and institutionalize data collection methodologies to capture member-level and industry-level information within national associations		ACTIF	National Associations
				Provide regular end-user demand data (trends, etc.) to value chain participants to support decision making		ACTIF	
				Disseminate members' lists regionally to promote networking/linkages (e.g. national associations member directories)			
				Support development of national associations' communication strategies			
				Train national associations in EU market access		CBI	
	C	Expand CTA trade with all global markets	Increase international trade flows and diversify market	Present benefits of ECA Trade Hub type entity to European Donors		CBI	
				Establish European Trade Hub as a one-stop shop for European buyers			
				Conduct EU market buyer survey to better understand uniqueness of different markets			
				Develop strategy for targeting different EU markets			
				Promote attendance at EU trade shows			
				Work with European development partners / governments to facilitate CTA linkages between Africa and the EU			

KRA	Activity		Critical Issue	Objective	Actions	Coordinator	Lead	Support
		C		Promote region as a source of ethically produced products	Ensure that supply-side databases are updated to reflect certification status and ACTIF website highlights certified companies			
					Promote regional ethical production industry focus at international forums			
					Track and package regional ethical production certification growth (volumes, values, percent of industry) and present regional snapshot			

3. Facilitate External Market Access

COMESA Strategy Mapping		3 Facilitate External Market Access						
KRA	Activity		Critical Issue	Objective	Actions	Coordinator	Lead	Support
		A	Understanding Market Access Arrangements	Create awareness of EU EPA among CTA value chain and ensure EPA includes all CTA recommendations	Participate in all EPA discussions until completion		ACTIF	COMPETE
2	11-13				Package CTA-specific EPA policy issues and disseminate to value chain		ACTIF	COMPETE
3	19, 33				Promote the development of a USAID ECA Trade Hub-type project with European Union		ACTIF	COMPETE and others
					Promote ACTIF as permanent home for EU CTA trade-hub activities		ACTIF	COMPETE and others
					Create awareness of regional trading rules			
				Drive awareness of lesser-known FTAs in other	Catalog and analyze existing bilateral FTAs and inter-related regional preference/FTA programs		ACTIF	COMPETE
					Package and disseminate relevant information to CTA value chain at national level		ACTIF	COMPETE

C. Trade Policy

1. Improve Intra-regional Trade Policy Environment

COMESA STRATEGY MAPPING KEY								
Cotton Sub-Sector								
Textile Sub-Sector								
Clothing/Apparel Sub-Sector								
Cross-Cutting Areas								
COMESA Strategy Mapping								
1 Improve Intra-regional policy environment								
KRA	Activity		Critical Issue	Objective	Actions	Coordinator	Lead	Support
3, 7, 8, 111, 119, 138, 19, 20, 24,	A	A	COMESA Common External Tariff	Ensure Harmonized CET across 1) EAC and COMESA and 2) SADC	Engage COMESA to ensure CTA products are included on the sensitive products list		ACTIF	COMPETE and others
					Present EAC CTA case to COMESA customs and trade committee		ACTIF	COMPETE and others
					COMESA council of ministers approves CTA Regional Sensitive list as part of COMESA CU Regional Sensitive List		ACTIF	COMPETE and others
					Package summary of existing export promotion incentives from the EAC region		ACTIF	COMPETE and others
					Have regional value chain participants evaluate/comment on national incentive schemes		ACTIF	COMPETE and others
					Develop recommendations for successful CTA export promotion policies in the context of EAC		ACTIF	COMPETE and others
					ACTIF to collaborate with EABC on presentation to EAC policy organs		ACTIF	COMPETE and others
					Package and disseminate information on export promotion incentive schemes to CTA stakeholders		ACTIF	COMPETE and others
					Where incentives aren't being applied properly, work with Ministry(ies) to develop appropriate tools and training for relevant authorities		ACTIF	COMPETE and others

KRA	Activity		Critical Issue	Objective	Actions	Coordinator	Lead	Support
		B	Non-Tariff Barriers	Catalog and Report CTA NTBs as a means of influencing trade and policy initiatives	Prepare training material for CTA Stakeholders on EAC/COMESA NTB reporting mechanism		ACTIF	COMPETE and others
					Train private sector at national level on regional NTB reporting mechanism		ACTIF	COMPETE and others
					Monitor impact of reporting mechanism on policy changes at regional level		ACTIF	COMPETE and others
3	19, 33	C	Free Trade Agreement (COMESA, EAC and Tripartite)	Ensure structure of Tripartite FTA benefits CTA value chain (rules of origin)	Analyze COMESA FTA, EAC Customs Union and proposed FTA for Tripartite with focus on Rules of Origin		ACTIF	COMPETE and others
					Disseminate information to CTA value chain and get input / feedback from private sector		ACTIF	COMPETE and others
					ACTIF to present recommendations to EAC, COMESA and SADC		ACTIF	COMPETE and others
					Ensure Private Sector / Value Chain position is included in EAC, COMESA and SADC positions		ACTIF	COMPETE and others
					Participate in Tripartite discussions as support to EAC and COMESA		ACTIF	COMPETE and others
					Work with Tripartite rules of Origin Committee to ensure CTA has a voice in negotiations		ACTIF	COMPETE and others
					Once gazetted, include new rules of origin regulations in trade policy training package		ACTIF	COMPETE and others
					Identify and work with national level CTA partners to disseminate information to the value chain		ACTIF	COMPETE and others

Appendix 1: 2009 COMESA Regional Strategy for the Cotton-to-Clothing Value Chain



REGIONAL STRATEGY FOR COTTON – TO – CLOTHING VALUE CHAIN

JUNE 2009

Produced out of the COMESA cotton, textile and Clothing manufacture, marketing and distribution/exporting business roundtable meetings in collaboration with the International Trade Centre (ITC) and African Cotton and Textiles Industries Federation (ACTIF)

Table of Contents

Preface	iii
Acknowledgements	v
CHAPTER ONE.....	1
1.0 INTRODUCTION.....	1
Contextual Background	1
Global Trends in the Textile and Clothing Industry	2
Rationale for a Regional Strategy	3
CHAPTER TWO.....	4
2.0 SITUATION ANALYSIS.....	4
Introduction.....	4
Small-holder Cotton Production	5
The Ginning Sub-sector.....	7
The Textile/Clothing Sub-sector.....	9
CHAPTER THREE.....	14
3.0 STRATEGIC ANALYSIS.....	14
Introduction.....	14
The Vision, Mission and Development Goals	14
Strategic Objectives.....	15
The Critical Success Factors.....	27
CHAPTER FOUR.....	30
4.0 STRATEGY IMPLEMENTATION	30
Introduction.....	30
THE LOGICAL FRAMEWORK MATRIX.....	Error! Bookmark not defined.
CHAPTER FIVE.....	57
5.0 PERFORMANCE MONITORING PLAN.....	57
Introduction.....	57

The COMESA Performance Monitoring Plan	57
PMP Resources	58
The Results Framework	58
Types of Indicators	59
Data Collection and Reporting	59
Reporting and Review	59
The Monitoring Plan.....	60

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Preface

The COMESA Secretariat is supporting its member States to design and implement strategies to coordinate the financing and delivery of a cohesive set of market-led prioritized development activities across the region. The strategies seek to reinvigorate the productive sectors from which most of the people of the region derive their livelihoods. This initiative is timed so that enterprises, trade support organizations and governments in COMESA member countries could take advantage of improvements in the trading environment arising from their stable economies and from a harmonized customs zone. This document is the outcome of various Regional Roundtables on the cotton to clothing sector. Similar efforts are being undertaken in three (3) other sectors viz, agro-food/business, metallic industries and light engineering and niche tourism.

Participation

Eleven out of the 19 COMESA countries that have a cotton to clothing sector took part in the three Roundtable meetings Zambia between June 2007 and August 2008. The International Trade Centre (UNCTAD/WTO), EU-ACP Centre for Development of Enterprise (CDE) and the United Nations Industrial Development Organization (UNIDO) were invited to the meeting to facilitate a process to help member State representatives drawn from the public sector and private sector develop the strategy and prioritized actions plan for the development of the sector. The private sector was represented by the Africa Cotton and Textiles Industrial federation (ACTIF).

In addition to the strategies themselves, there was deliberation on issues relating to policy reform and on other crosscutting issues impacting the competitiveness of the sector.

Roundtable participants: The participants in the roundtable meetings were drawn from the following countries:

Burundi	Comoros	Ethiopia
Kenya	Libya	Malawi
Rwanda	Uganda	Zambia
Zimbabwe	Mauritius	

However, other COMESA cotton, textiles and apparel manufacturers that did not attend include:

Democratic Republic of Congo	Egypt	Eritea
Djibouti	Madagascar	
Swaziland	Sudan	

Acknowledgements

The COMESA Secretariat and the African Cotton and Textiles Industry Association (ACTIF) would like to acknowledge the contributions made to the success of the process of developing the regional strategy document from the invited country participants and the following organizations:

International Trade Centre (ITC),

Food and Agricultural Organization

The United Nations Industrial Development Organization (UNIDO),

EU-ACP Centre for Development of Enterprises (CDE), and

The United Nations Development Programme (UNDP).

United States Agency for International Development (USAID) EA

EU- All ACP Agricultural commodities programme (AAACP)

Chapter One

1.0 Introduction

Contextual Background

1.1 The cotton – to – clothing sector in Africa is central to the continent’s efforts in the fight against poverty. It is a major source of income for millions of peoples particularly those living in the rural areas, and an important source of foreign exchange earnings. Textiles and clothing have, over time, provided an opportunity for some African countries to diversify their exports while clothing production is labour intensive, easily offering opportunity for employment in producing countries. Moreover, the labour requirements can be met with low and semi-skilled workers especially women.

1.2 Despite the potential benefits and the apparent comparative advantage, few African countries have managed to assert themselves in the world market. Consequently, despite being a net exporter of cotton, Africa remains a net importer of textiles and clothing. In an effort to change this status, some of the countries have embarked on reform initiatives aimed at increasing the competitiveness of their cotton sectors. The success of these efforts has been varied, but overall clothing exports from Sub-Saharan Africa have expanded rapidly during the past decade mainly due to unilateral market access preferences granted by the US and the EU. A main feature of these preferences is the Africa Growth and Opportunity Act (AGOA) of the US.

1.3 Nonetheless, the industry in Africa continues to experience challenges and for example in Uganda and Mozambique, the cotton sector collapsed in the mid-1970s; while in other countries such as Tanzania and Zambia, state interventions during the same period did not yield better performance. The Kenyan cotton and textile sector has also never fully recovered from past decline following liberalization.

1.4 COMESA believes that the development of the intra-regional cotton-to-clothing value chain can contribute to socio-economic and sustainable environmental development in the region. In particular this intervention can contribute heavily to the achievement of the Millennium Development Goals (MDGs). It can achieve full and productive employment and decent work for all including women and young people; promote gender equality and empower women along the entire value cotton-to-clothing value chain. It can also promote HIV/AIDS campaign programmes along the value chain; promote sustainable farming practices and technologies in the cotton, textile value chain; and develop a regional and global partnership to enhance regional and international trade in cotton, textiles and apparel.

1.5 This strategy will be aligned to the Comprehensive Africa Agriculture Development Program (**CAADP**) which is the highest policy level framework for the development of agriculture in Africa. **CAADP** was established by the African Union’s New Partnership for Africa’s Development (AU/NEPAD) in July 2003. This strategy particularly fits well with **CAADP Pillar 2** and **Pillar 4** and its successful implementation will contribute to the overall goal of CAADP which is to “Help African countries reach a higher path of economic growth through agriculture-led development, which eliminates hunger, reduces poverty and food insecurity, and enables expansion of exports.” The Common Market for Eastern and Southern Africa (COMESA) has the mandate to implement the CAADP agenda in Eastern and Southern Africa. The strategy is also developed within the COMESA, EAC and

SADC Tripartite Framework as per the October 2008 Kampala, Tripartite Summit Heads of State deceleration and decisions.

Global Trends in the Textile and Clothing Industry

1.6 Following the expiry of the Agreement on Textile and Clothing (ATC) in 2005, the quotas that once shaped the global apparel trade were removed for WTO members and tariffs left as the only trade restrictions in place. Prior to this, the ATC and its predecessor the Multi-Fiber Arrangement (MFA), had governed world trade in textile and clothing by providing a framework for bilateral and unilateral restrictions; and for limiting imports into developed-country markets whose domestic industries were facing decline. Preferential access to protected markets favoured exports from some developing countries (e.g. Kenya), while quotas restricted exports from others (e.g. India and China).

1.7 Competition in the world market for textile and clothing is based on price and a host of other factors related to the efficient management of both production and logistics¹. In order to compete effectively in the world market, producers must provide rapid delivery and respond quickly to frequent shifts in consumer preferences and changes in retail practices. So while comparative costs remain important, production planning and delivery times are key determinants of comparative advantage. Competitiveness in the market is increasingly driven by the ability of producers to bring products to the market just-in-time. The sustainability of apparel as an important export sector requires decreased reliance on trade preferences and shifts to permanent sources of comparative advantage. The creation of a regional market in Africa would be an important source of comparative advantage.

1.8 The nature of the global apparel industry has shifted dramatically over the last two decades. Apparel retail is dominated by chains (such as Wal Mart, Carrefour, GAP) and labels (such as Polo, Levi's) which do not produce any of their merchandise. In many cases they design the product and outsource the production to a manufacturer. They have strict requirements for the fabric, other raw materials as well as logistics such as delivery time and schedule. Most retailers prefer to carry low inventories and require merchandise to be delivered in small quantities as they are sold. In short, exporters who can integrate themselves into the supply chains of the major retailers, deliver the products at short notice and satisfy all the requirements earn superior profits.

1.9 To become competitive, African countries will need to invest substantially in value addition and to offer a wide range of fabrics as a strategy for enhancing export revenues. They will also need to increase the proportion of made-ups and garments in their value chains. In contrast, most of the countries in the region have a mono-product industry and most participate in commodity exports rather than in high value finished products. It is therefore, critical that Sub-Saharan African countries implement reforms to remain the preferred destinations for buyers. This implies that they significantly reduce the cost of doing business and also improve on the delivery lead time.

¹ World Bank Report No.39994 – AFR, July 2007

Rationale for a Regional Strategy

1.10 Following the recent global developments in the cotton and textile sector, COMESA member countries are compelled to emerge with a unified regional strategic approach to the affairs of the industry. Given the complexities of regional and international trade agenda, there is a need to develop a common strategy for negotiating the best possible opportunities for member countries. The overall aim would be to bring cohesiveness into the disparate initiatives currently being undertaken on a national basis. The strategies and actions articulated in this strategic plan are therefore, designed to provide the basis for improving the performance of the sector.

1.11 The urgency for a regional strategic approach is also borne out of the need to exploit the large trade potential estimated in 2003 at more than US\$ 673 million for the region and US\$ 31.0 billion per year on the world market. Countries of the region were able to secure only 6% share of the world market equivalent to US\$ 1.9 billion in value terms².

² COMESA/EAC Cotton and Textile Regional Trade Policy Paper March 2005, pg 1.

Chapter Two

2.0 Situation Analysis

Introduction

2.1 The Impact of the World Economic Crisis on the Garments Sector in Developing countries

Total European garment imports from developing countries (DCs) dropped both in volume and in value in the third quarter of 2008. Since November 2008, European garment imports as a whole have decreased by an average 4.5%. The British market showed the steepest decline (9.5%), followed by Italy (3.2%), Spain (2.8%) and France (1.5%). Experts expect imports to show further decline in the first six months of 2009³.

European retailers have reported margin losses as high as 30%. Some are considering closing outlets and shelving expansion plans. By adapting their purchasing habits – postponing purchases, buying smaller volumes and driving harder bargains – they have raised the pressure on suppliers from DCs. The garments market, in fact, has become a ‘buyers’ market’. With capacity in DCs twice as high as demand, a veritable battle for orders has begun.

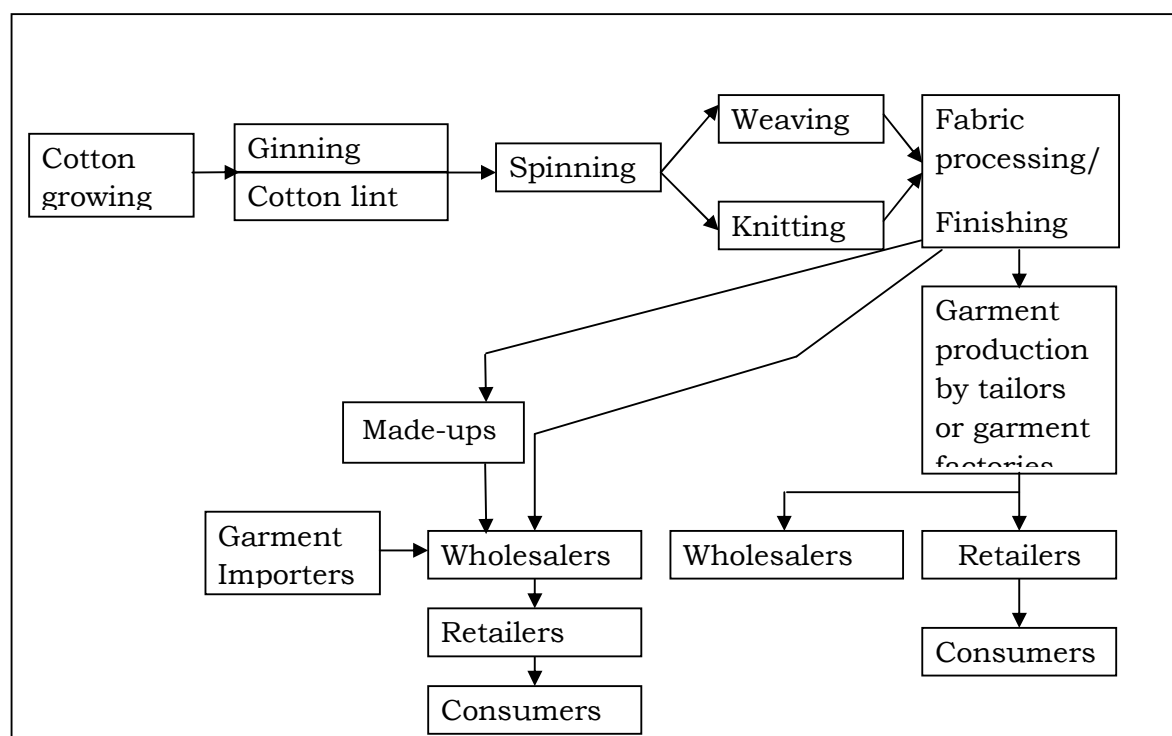
Existing negative market developments have been accelerated by the crisis. Employment in Macedonia’s garment sector dropped by one third in just 3 months. Exporters from Bangladesh saw their exports decline by 17% in terms of volume and 23% in value. With an average export profit margin of 20%, these factories are tottering on ‘break-even or less’. Numerous factories in Peru and Colombia have come to a complete standstill and are using leftover materials to produce stock for local markets. Egyptian RMG (ready-made garments) exports dropped by 25% in the last 5 months. The Moroccan garment industry is shrinking at a rate of over 12% a year. The situation is no better in sub-Saharan Africa where the factory closer started even before the crisis⁴

2.2 Even before the crisis the cotton – to – clothing sector in most COMESA countries had not achieved its true potential. The principal sub-sectors are cotton growing – mainly by smallholder cotton farmers, ginning, spinning; and textile, garment and apparel manufacture. The Diagram 1 below presents the various components of the supply chain.

³ CBI market information analysis report March 2009 (<http://www.cbi.eu>)

⁴ CBI market report

Diagram 1: The Cotton – to – clothing supply chain



2.3 Whereas the sector has considerable growth potential it must essentially become competitive to perform on the world market. In this regard, efforts must focus on enhancing industry performance and competitiveness through improved farm productivity, ginning and manufacturing efficiency. Similarly, efforts must be made to enhance the sector's sustainability through institutional development and building the capacities of stakeholders. The governance structures for farmer organization, processing and marketing; and the concomitant management systems will also require strengthening.

Small-holder Cotton Production

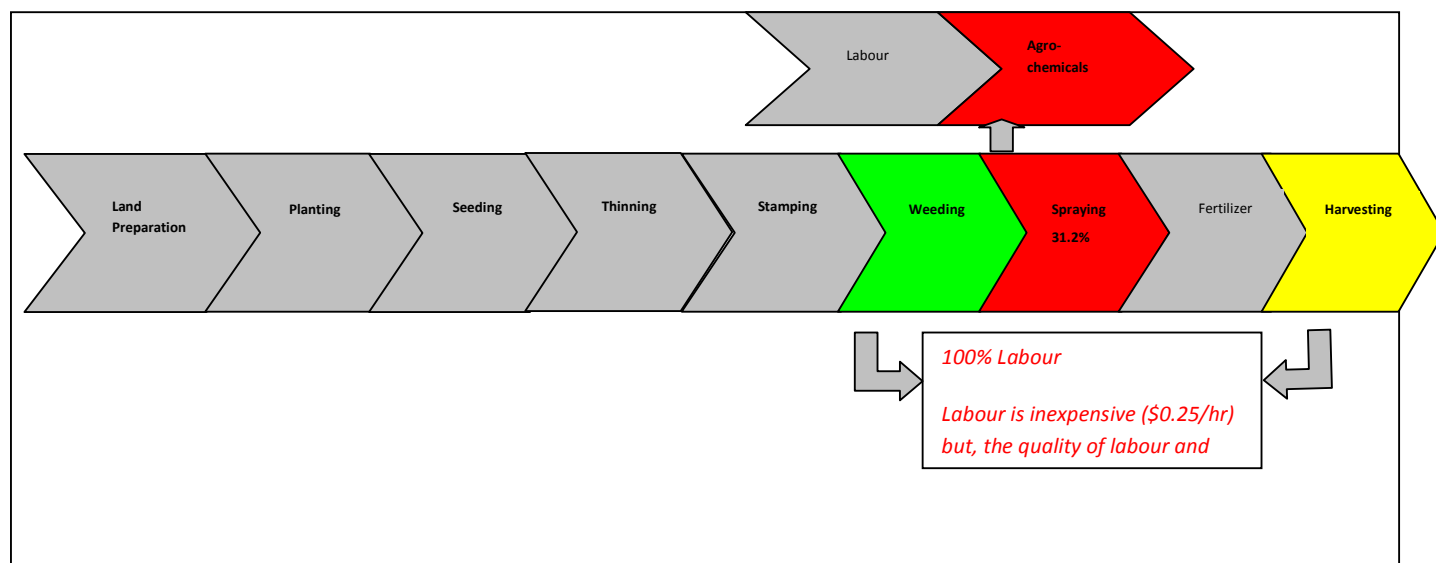
2.4 The production of cotton in most member countries is characterized by small-holder producers many of whom lack appropriate farming skills. In most cases farmer groups are not well organized and the organizational structures themselves weak. This aspect constrains capacity building for farmers and also their ability to adopt new technology. Furthermore, due to weak organization, farmers have limited influence on policy decisions.

2.5 Smallholder cotton farmers face a problem with low yields mainly due to poor agronomic farm practices. The African average yield is 379 kg/ha which is way below competing countries such as China with 1270 kg/ha, Israel with 1700 kg/ha and even the world average at 589 kg/ha. Among the important factors that contribute to low yields are poor quality planting seed, the absence of price assurance mechanisms and the collapse of an effective credit input system. To compound this situation, extension services for farmers in most of the member countries are extremely weak.

2.6 An analysis of the cotton value chain reveals that key farm practices such as thinning and stamping are usually overlooked by small-holder farmers. It also suggests that there is limited use of fertilizers and agri-chemicals mainly due to their high cost. Agro-chemicals and farm labour dominate the overall cost structure

associated with cotton farming. In Kenya for example, these two account for 77.1% and 22.9% of the total cost respectively. The diagram 2 below reflects a typical cost structure of the cotton chain.

Diagram 2: Cotton Value Chain Cost Drivers



ginners and other channels that once existed for transferring know-how to farmers have also been abandoned. Consequently, poor farming practices are characteristic among small-holder cotton farmers in the region.

2.8 Poor seed quality is also a major contributor to reduced yields. Following the liberalization of the cotton industry, the system of certifying cotton seeds has collapsed in most member countries. Farmers are, therefore, forced to plant unregulated second grade seeds resulting in yield levels below the potential. Such seeds have usually stayed for long periods which factor severely limits their germination rates. This situation is likely to persist since there is little on-going work in national research stations on quality seed development and bulking.

2.9 Farmer incomes could be considerably enhanced if sales of cotton seed were properly regulated. This is an important factor considering that 60 - 64% of output from seed cotton production is seeds. Studies⁵ have shown that revenue from the sale of cotton seed is almost at par with that from the sale of cotton lint per ton. This, therefore, implies that the sale of cotton seed has the potential of doubling farmer income. However, most member countries have inadequate seed-pressing facilities and whatever equipment that exists is integral to antiquated ginnery machinery. Overall, there is lack of down-stream infrastructure to support cotton-seed oil processing and sales of other by-products.

2.10 In the absence of a comprehensive sector strategy the small-holder cotton farmers do not understand their role in the entire supply chain. They lack information on cotton prices and suffer limited interaction with other stakeholders and players in the industry. They also lack direct contact with the market and also have limited knowledge of organic and fair trade certification requirements.

2.11 Constrains in producing seed cotton in the region are similar particularly for countries with declining cotton production. As intimated the industry is characterized by regulatory, institutional, policy and marketing failures. The

⁵ Value Chain Analysis of Selected Strategic Sectors in Kenya: the World Bank Group, April 2004.

regulatory bodies in most of the producing countries of the region are inactive. Other constraints include the lack of strong producer associations, poor quality seed production and distribution and the collapse of extension and other support services. All these factors coupled with poor market information and declining world prices have made cotton production unprofitable and risky for most farmers in these countries. It is therefore, imperative that the competitiveness of cotton particularly for small-scale farmers in the region is improved. To address the vulnerability of the producers mechanisms must be established for increasing their share in the end product value for example in the proceeds from cotton seed by-products. It will be necessary under the Common Fund for Commodities (CFC) through the ACCP to establish price risk management schemes for cotton producers. Also through the FAO/World Bank commodity risk management (CRM) initiatives both traditional and market-based price risk management tools could be developed and adapted to the local farming conditions in an effort to minimize farmer vulnerability.

2.12 In summary, the region faces key constraints in cotton production. These include the high cost of production occasioned by high input cost (fertilizer, seed and pesticides) and poor farm practices. Other constraints are poor seed, low application of fertilizers, and pesticides, poor extension services; poor marketing services, lack of market information and inadequate credit programmes.

2.13 For the countries in the region, the constraints to cotton production are almost similar. For most African countries, the cotton industry has faced regulatory and market failure constraints since liberation. The regulatory structures became inactive and this has had negative consequences on the industry such as the lack of legal and regulatory frameworks, high cost of borrowing, lack of extension services, poor input distribution systems and the high cost of inputs. The above constraints have led to weak producer associations and the absence of mechanisms for overseeing critical issues such as quality seed availability, inputs provision and the provision of extension services.

The Ginning Sub-sector

2.14 Cotton prices are determined by various factors including the intrinsic attributes of the fiber, the cleanliness of lint and the degree of contamination. Quality assurance should start at the farmer level as both cleanliness and contamination depend on harvesting methods, handling, storage, transport and ginning practices. Contamination of lint by non-vegetable matter is the most serious problem especially with handpicked cotton. Contaminated cotton causes disruptions in the spinning process and such cotton is normally sold at considerable discount to compensate the spinner the cost of cleaning. For cotton with the same fiber characteristics the price difference paid can range from 5% to 30% depending on the degree of contamination. What is even more serious is that price discounts are normally slapped indiscriminately on cotton originating from a country with a reputation for high contamination.

2.15 In a recent Report by the World Bank⁶ the issue of quality assurance in cotton for a number of African countries is highlighted. In Mozambique, lint classing is based on visual and manual inspection and overall, the quality of cotton from the country is rated poor. In Tanzania, the system of grading is weak and the proportion of upper grades fell from 45% in the early 90s to a low of 17% in 1994/95 after liberalization. In Uganda, the cotton is also reputed to be contaminated and the quality control system is still undergoing development.

⁶ Comparative Analysis of Organization and Performance of African Cotton Sectors: July 2008

Zambia however has a reputation of the best quality performance in Africa; and ginneries have offered farmers incentives to deliver quality cotton. For example a major ginning company has given farmers bags for picking cotton and has established a system for cleaning cotton prior to ginning. In Zimbabwe however, quality is on the decline particularly following liberalization.

2.16 The installed ginning capacity in the region can process up to 2.8 million tons of ginning, assuming a GOT ratio of 40 percent. Capacity utilization⁷ in the member countries varies, with the highest being in Zambia and South Africa at 78% and 72% respectively. The lowest performers are Kenya (13%). Uganda (20%), Madagascar 20% and Tanzania 26%.

2.17 Lint production faces high costs of production due to the high cost of utilities. In Kenya for example, electricity accounts for 40 percent of the total production cost; and its supply is also unreliable. The supply of seed cotton is mostly erratic and insufficient to engage the installed capacities. This low level operation of ginneries effectively pushes up the per unit cost of production.

2.18 Another major problem for most member countries is the use of obsolete technology in ginning. In Kenya for example, roller technology has been employed since 1935. Very little investment in new technology and upgrade of existing machinery has occurred. The problem is compounded by the lack of well-trained and qualified technicians. The greatest challenge for the region is how to attract investments in the sub-sector given the current operating environment.

2.19 As intimated, the incomes of farmers and processors would be significantly enhanced if there was a market structure to support seed-oil processing and the sale of resultant products. Since there are no secondary markets for seed cotton, ginneries provide the only outlet for this product. However, the ginneries themselves suffer from technical inefficiencies and low capacity utilization. Moreover, the contractual arrangements between farmers and ginneries are weak mainly due to lack of transparency on the part of ginneries and weak farmer organizations. The relationship is further weakened by the disruptive behaviour of intermediaries.

2.20 The Present Crisis and African Cotton⁸

The cotton sector is presently in a very severe crisis that affects Africa in the West as well as East disproportionately hard, as countries are not able to support the sector as other cotton producing countries could do it. After its peak in the cotton season 2005/2006 world cotton production is declining from about 27 million tons to 23.3 million tons in the season 2008/2009 and will remain so for the season 2009/10. Mill-use and thus cotton consumption and demand has been lacking behind production since the 2003/4 season. However, until the 2007/8 season consumption was increasing every year since the turn of the century. This season and the next 2009/10 season will see a sharp fall in cotton mill use from around 26 million tons to 23 million tons. Thus, due to the global financial crises that affected the real economy, cotton consumption is declining and will remain stagnant for at least the next season.

As a result of this scenario, cotton prices are declining and cotton stocks are on the increase. In fact, warehouses in destination markets and spinning mills are full. While the cotton price in the 1970s/80/90s were at an average of 74 cents/lbs, the average since 2001 was at about 56 cents/lbs. The world average in the current

⁷ Cotton and Regional Trade Policy Paper, March 2005 pg.7

⁸ This is a write up on an ICAC presentation made to the WTO on 24 April 2009, Geneva.

season 2008/9 was 59 cents and is forecasted by ICAC to be around 56 cents/lbs with an 95 confidence interval range between 44 cents and 62 cents/lbs. Consequently, cotton production will decline also in the next season with only India and Pakistan expected to producing around the same volume as last season. All other cotton producing countries and regions are forecasted to reduce cotton output

The Textile/Clothing Sub-sector

2.21 Factors that affect production of textiles include outdated and old machinery whose maintenance costs are high and whose efficiency is poor. For most of the countries in Africa and therefore, the region, the level of technology which is indicated by the age of the machinery installed is very low compared to competing countries. For some of the countries in Africa, only 13% of the technology levels (spinning spindles, OE Rotors, Shutless looms etc) are less than 10 years. By comparison in China and India at least 74% and 69% respectively of the same technology is less than 10 years⁹. This confirms that over 80% of the technology employed by the industry in the region is obsolete.

2.22 The high cost of production at this level of the value chain is due to under-utilization of the installed capacity, high rate of taxation, high utility costs (high electricity tariffs in Kenya, Tanzania and Mauritius); and high labour costs. For example in Mauritius, rising labour costs and lower margins have contributed to the decline in competitiveness; while in other member countries inadequate investment in fabric manufacturing and poor technology have led to high costs of production and the manufacture of low quality fabrics.

2.23 The performance of the sub-sector is also constrained by various other factors. For one, the outdated technology in use in the textile sub-sector due to the lack of new investment. For most of the COMESA member countries, long-term funding to manufacturers is unavailable. Even though in some countries banks dedicated for loaning to industry exist, they are largely under-funded and they also tend to discriminate against the textile sector. Where banks are willing to lend, on short-term basis, (less than 12 months) the terms are purely commercial and the associated costs prohibitive. Considering that it takes along time to realize a Return on Investment (ROI), little funding is earmarked for the sector. In competing countries outside the region, funding is available to the sector for more than a 5-year duration.

2.24 In addition to the shortage of loans, the cost of borrowing in most countries is prohibitively high (Over 15% in Kenya; 20% Uganda; and 35% in Malawi)¹⁰. This deters borrowers from making critical investments that would improve productivity. Ideally, interest rates should be below 10% for export financing and long term investment.

2.25 For some countries, the lack of foreign currency to import spare parts to upgrade and maintain machinery is a major constraint. In Zimbabwe for example, the shortage of foreign currency and the high interest rates are major factors. There is no support from the Governments in most of these countries and yet most developed countries support their cotton sectors. In competing countries such as India, Indonesia, China and Pakistan, technology up-gradation and investment funds have been established at competitive rates of interest in support of the industry.

⁹ Sector-wide Assessment Study by Gherzi to develop a “blueprint” for the improvement of the textile and garment industry in Nigeria, July 2003, pg 19.

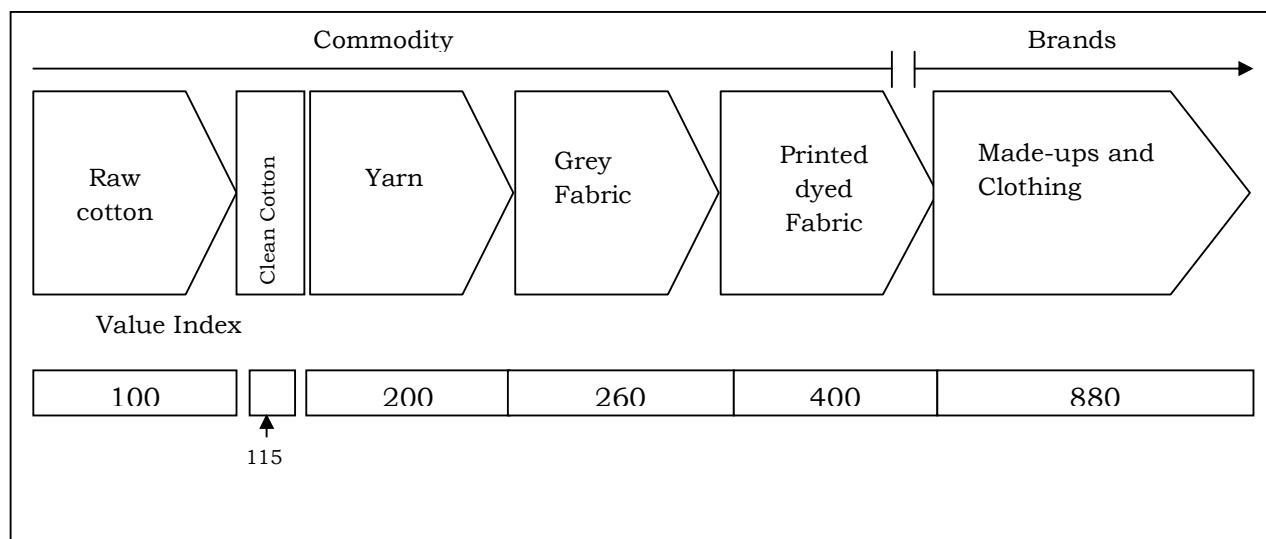
¹⁰ COMESA/EAC Cotton and Textile Regional Trade Policy Paper (RATES), 2005 pg 8.

2.26 The performance of the textile sub-sector has also been constrained by imports of second-hand clothes. In some member countries, imports of new and used garments and fabrics have captured more than 55% of the domestic market. The dumping of subsidized and cheap products by competitors from outside the region further depresses the industry's growth outlook. There has been reduced investment in the sub-sector, with most investors deferring to make investment decisions due to a bleak future outlook. Most companies with low investments have closed down while others have considerably scaled down their operations.

2.27 Generally the member cotton producing countries have the prerequisites needed for developing a successful textile and clothing industry needed for their growth and economic development: a huge regional demand, availability of raw materials and abundance of young and relatively cheap labour force. It is, therefore, the opportune time for member countries to improve their respective cotton-to-clothing sectors and reposition the industry as a driver of economic growth. The AGOA facility for example offers preferential market access for clothing and some textiles upon which Sub-Saharan countries can rebuild their industries.

2.28 For most member countries however, the industry is mono-product. Apart from making it susceptible to attacks from imports it denies the member countries an opportunity to participate in the market for high value products such as made-ups and clothing. As reflected in Diagram 3 below, the value addition is highest in the made-up and clothing segments of the textile market. The made-ups products are the fastest growing segment of the world textile market.

Diagram 4: High Value Addition in the Textile Chain

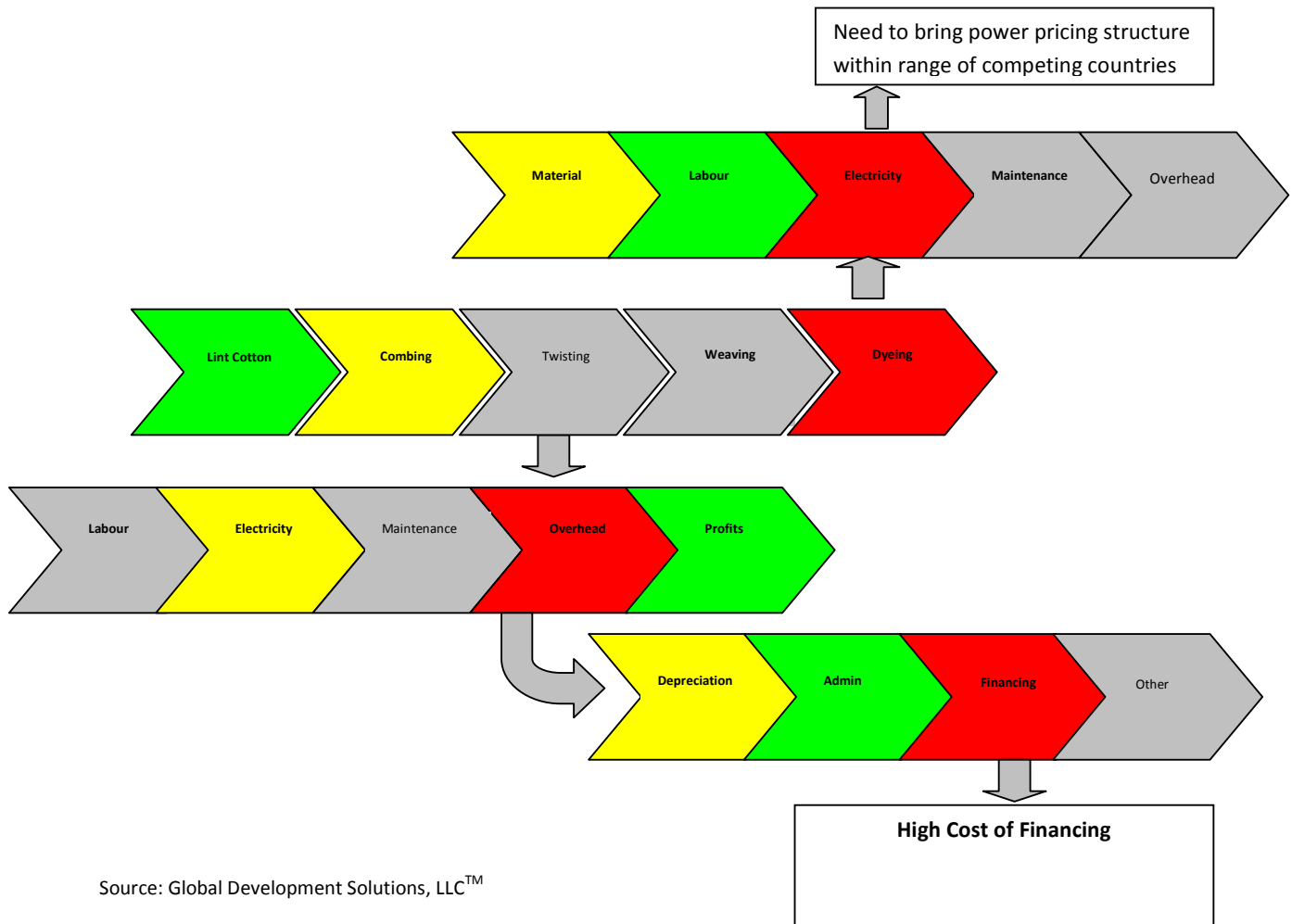


labour, the cost of dyes and chemicals and the cost of capital. Moreover, the opportunity costs of slow and complicated logistics, leading to disadvantages vis-à-vis faster suppliers from Asia, need to be addressed. Electricity costs vary, in part, due to the different taxes countries charge on the fuel used for generation. For example, in Madagascar the sub-sector is the largest consumer of electricity in the country, accounting for 15% of total costs in textile production and 4-7% in clothing. As intimated, reliability of electricity service is as important as its cost. The loss in production time and output from outages, the loss of equipment from power surges and the efficiency loss caused by interruption and uncertainty constitute severe competitive disadvantages. Interruptions in supply are particularly disruptive to dyeing and washing operations. In countries where interruptions in supply are common, firms often rely on back-up generators. The

need for these adds to energy costs. In Zambia, for example, firms recorded an average of 37.2 power outages in 2004. The percentage of production lost in Zambia due to these outages is very high at 4.5-5.6 percent of output (Chikosi *et al.*, 2005).

2.30 International freight costs have risen by a third over the last few years due to increased fuel costs although world fuel prices have reduced dramatically the incidence of the reduction has not been reflected in the pump prices for some of the member countries such as Kenya and Uganda. Therefore, the cost of road transport still remains high. Whereas cheaper rail transport could be used, it can take up to 7 days longer to deliver goods than via road. Consequently road transport has become the preferred mode and for some countries (e.g. Zambia) it costs more to send a container to the nearest port (Dar es Salaam) than from the port to the Far East.

Diagram 5: Textile Value Chain Cost Drivers



2.29 Quality is an important factor for both textiles and clothing as it contributes towards approval by buyers. However, quality alone is not a sufficient condition for approval as buyers and retailers on the international market have other considerations. To gain approval, manufacturers from the region must lobby buyers and be able to respond quickly. Major brands and retail buyers specify the source of the fabric (this is not a new trend but an old practice Africa is experiencing). In other words, firms in the region require to lobby for pre-qualification. For seller-buyer relationships to be firmed, market information is key as the two needs to be familiar with each others operations and for sourcing decisions to be informed.

2.30 With the phasing-out of quotas, in international trade, the retailers and buyers are taking advantage to select few firms from which to source. Retailers increasingly showed a preference for firms that offer a wide range of services including financing, lean production techniques and with sample and design capabilities. The shifting market demands are posing a new challenge to African producers. The emergence of buyer-driven supply chains in the sector is placing increased responsibility on suppliers to manage yarn and fabric sourcing, design, inventory management, product development and sample making. This implies that African firms learn to integrate into global supply chains and attend to the service demands of buyers and retailers. It also implies that African firms must learn to

operate in an international market with fewer opportunities as buyers will evaluate carefully before changing suppliers.

Data Collection and Reporting

2.31 As intimated, African producers need to be more efficient in their operations and seek to reduce lead times. The lead times are those required for a company to produce yarn, fabric or clothing and have it delivered. African producers must strive to reduce lead times and to minimize transport costs which are generally high. Lead times throughout the supply chain are more important for some clothing products than for others. For fashion products such as dresses and blouses, traditional cost factors related to labour, inputs and fabrics determine where the products will be sourced.

Chapter Three

3.0 Strategic Analysis

Introduction

3.1 Recent global developments in the cotton – to – clothing sector compel the development of a unified regional strategy. The end of the Multi-Fiber Arrangement, the extension of AGOA (from September 2008 – September 2015) and the phasing out of the non-reciprocal duty free trade regime between African Caribbean Pacific (ACP) countries and the European Union (EU) are major developments affecting the sector. The implication of these developments on the international market for African cotton and textiles cannot be ignored. As intimated Africa must begin to look to itself as part of the solution to the adverse effects of the global market developments. The opportunity for pursuing a regional strategy in COMESA, EAC and SADC already exists and member states are pursuing regional trade integration initiatives.

3.2 This strategy is designed to address the challenges facing the various components of the sector along the supply chain. In broad terms, it entails redefining the role of the state in the industry, reinforcing regulatory and organizational institutions, facilitating greater involvement of the private sector and farmer organizations, increasing access to inputs and investment finance, improving productivity through research and training, supporting market and product development and promoting diversification and innovation into products. The strategy also entails addressing industry challenges relating to policy, regulation, financing, and investment. The role of regional economic commissions and international development agencies as partners in the implementation process is also articulated.

3.3 Due to the acute need for self-sufficiency and the high demand for seed cotton, it is imperative that member countries establish strategies for increasing seed cotton production. In addition to satisfying domestic demand this action will enable member countries increase the volume and value of cotton traded on the international market. This action is also urgent considering that there are prospects for reduced global production due to WTO induced subsidy reduction on cotton production in developed countries.

3.4 In the ginning and manufacturing sub-sectors, the strategy will focus on improving the cost structure, upgrading technology, making new investment, developing new markets and promoting product innovation and diversification. The activities at this level will include availing market information, capacity building of support organizations in market approaches and supply chain upgrading for target markets. Linkage building and matchmaking activities will be integral to the strategy in light of market requirements where sources of raw materials, including fibers, yarns, fabrics and trims, are to be approved by buyers and retailers. This implies that even if member countries can produce good quality products that can earn market access, it is not a sufficient condition to make sales. The need to promote matchmaking is, therefore, paramount in order for buyers to be familiar with manufacturers from the region in order to inform their sourcing decisions.

The Vision, Mission and Development Goals

3.5 The COMESA mission for the Cotton textile and clothing sector is, **“to promote trade and increase market access for the cotton, textile and apparel industries in Africa”** This Mission is informed by the Vision which is; **“an**

integrated and competitive cotton-to-clothing value chain.' The development goals are:

1. To enhance cotton production and farmer incomes;
2. To increase investment and efficiency in textile and clothing manufacturing; and
3. To expand trade.

Strategic Objectives

3.6 In order to attain the above goals the following strategic objectives will be necessary. The strategic objectives are designed to address the constraints to growth and development in the supply chain as follows:

Cotton sub-sector

1) To reduce contamination and to increase the price levels.

The cotton industry in most member countries is characterized by institutional weaknesses. This is mainly due to the lack of strong regulatory frameworks and producer associations to oversee the critical issue of quality in seed cotton production and distribution as well as extension services and input distribution.

Contamination at the farmer level is due to inappropriate handling of cotton seed at farm level, collection points, ginneries and during transport (domestically and international). Foreign matters, especially those hardly detectable such as white polypropylene, find their way into the cotton. As a result, yarn spinning becomes more difficult (if foreign matters are not removed) or more expensive if technical solutions in the blowroom need to be installed or additional personnel need to be hired to remove foreign matters.

Contamination in seed cotton is perhaps the most important area for reforms in the cotton sector in Africa. The objective being to increase the price earnings for lint and producer prices for seed cotton. Price differentials for cotton originating from member countries are not due to major differences in basic fiber parameters but rather, on their level of contamination. For example in 2006/07, Zimbabwe and Zambia received the highest premium while Tanzania received the lowest over the Cotlook A Index ranging from 1 to 7 cents per pound.

Although it is expected that African cotton has some comparative advantages in the world market, i.e. the intrinsic quality of its fiber and due to the fact that it is hand picked hence lower contamination with vegetative matter, this is not the case. In fact, African cotton trades at a discount on the market compared to the machine – picked competitors due to the bad reputation. The priority in member countries is, therefore, to eliminate contamination as one step towards quality improvement. This aspect alone has the potential to increase lint prices by up to 15 percent of what it is currently fetching¹¹.

Various strategies will be employed to reduce contamination in seed cotton in the region. First, with proper financial incentives producers can be motivated to eliminate contamination. Price assurance mechanisms can, therefore, bring about the desired change.

The second strategy will entail to train producers to reduce contamination and to deliver contamination-free cotton. The approach calls for

¹¹ Quality and Marketing of Cotton Lint in Africa – World Bank, July 2008

strengthening of farmer associations and building their capacities to oversee the activities of their members. These associations should distribute non-contaminating collection and packing material such as cotton cloth rather than polypropylene sacks, etc. Experiences of Cargill in Zambia would be useful to examine in more detail for this.

Thirdly, pre-cleaning strategies at the gin level will be introduced, utilizing the positive example of e.g. Dunavant in Zambia.

COMESA member countries will require making improvements in the reliability of their respective systems for cotton grading. The critical control point for quality assurance in this process is at the primary collection level. In the past, cotton in most member countries has been classed through visual and manual inspections. This is not reliable and instrument testing is increasingly being recommended. Instrument testing will enable countries to sell their cotton based on reliable and comparable results. It will also enhance the price fetched on the market and subsequently lead to improvements in their market share.

An additional strategy will be to use the licensing of exporters as a tool to inject discipline. This will forestall the consequence where exporters and growers in the entire country are penalized for contaminated cotton by some producers.

Quality improvement could translate into a significant price increase over the Cotlook A Index and subsequently a substantial increase of the price of seed cotton paid to farmers. Therefore, quality management should be considered one of the most important areas of reform for COMESA member countries. Within the region, Zimbabwe and Zambia currently receive the highest premiums. The progress made in these two countries is due to the successful reduction in contamination and stickiness in seed cotton.

In summary, reduction in contamination and increased farmer incomes can be attained through building the capacities of stakeholders particularly small-holder farmers along the value chain. Revamping extension services and training farmers in Good Agricultural Practices and in commercial cotton farming is a prerequisite to increased yields and reduce contamination. Cotton pre-cleaning at the gin level as well as distribution of more appropriate means of collection, e.g. cotton cloth instead of polypropylene to farmers will help to reduce contamination. Establishing quality seed production and bulking programs on regional and country levels is also key to increased yields. Establishing testing, accreditation and quality agencies and establishing quality assurance mechanisms are also key to attaining the objective.

Finally, linking up with the market right from the beginning and engaging with potential buyers/ spinners in identified priority markets could create the necessary spirit and momentum to engage in a longer-term partnership in which both sides win.

For example, during market visits of various ginneries from Malawi, Mozambique, Tanzania, Uganda, Zambia some of the mills visited indicated that spinners are obliged to undertake to remove contamination cost around US\$ 3-5 cents/lb. Activities in this regard include 1) manual sorting, 2) cotton sorter in back process, 3) contamination detector in winding, 4) use of cotton bag in handling material, 5) re-bailing for auto plucker.

The management of these mills indicated that they were willing to pay around US\$ 2-3 cents more for cotton with less contamination. The strategy envisages to help the ESA industry to capture possible price margins for non-contaminated cotton.

2) To develop a Transparent Rules-based System of Co-operation between Farmers, Ginners, and Traders Based on Respect.

Following the liberalization and restructuring of the cotton industry in the 1990's in most of the member countries, the institutions that regulated cotton trade among farmers, ginners and traders became weak and lost control. The result was the emergence of free marketing systems. In an entirely open system, producer prices, collection marketing and export marketing are entirely free. Controls are managed by private industry structures in which the private sector (ginners and traders) have a major say.

For a viable supply chain, vertical integration between farmers, traders, ginners and exporters is essential. Strong farmer – ginner relationships for example can enhance access to agricultural external services, farm inputs and credit facilities. They can also enable them to engage in productive negotiations including with international merchants. To foster this relationship, therefore, a transparent rules-based system is necessary in order to bind the players into a mutually beneficial relationship.

To realize this objective it will entail establishing a regional legal framework for the governance of the industry on national and regional levels. Within the framework, rules for trading in seed cotton between farmers and ginners will be developed. In the same vein, a certification system for compliance with established quality standards and a code of conduct between ginners and farmers will be established. In addition, national regulations will be aligned with international trading rules. This will be followed by training activities to educate the stakeholders on their respective roles and what is expected of them in the value chain.

It is expected that such rules, developed in a transparent and participatory approach, will reduce the phenomenon of side selling and pirate buying that had undermined the sector especially in liberalized cotton systems in Tanzania and Uganda. However, it is also an increasing and destabilizing fact in Zambia and Malawi.

Other activities will involve organizing business and farm visits between farmers, spinners, and textile and apparel manufacturers. The aim being to increase understanding of cotton transformation and of destination markets, particularly export markets. Mostly, two types of companies supply lint to the world market out of Africa: Independent ginners and Affiliated ginners. The relationship between farmers, ginners and these international cotton merchants also needs to be formally defined.

Most sales contracts between ginners and international merchants are private contracts concluded on a one-to-one basis – either via phone call or face-to-face meetings. In most cases written commitments are made between these parties. Usually, international merchants utilize ICA rules, which are little known by local ginners or even farmers. Some traders offer guaranteed minimum prices contracts which allow the ginner to participate in possible price increases should they occur. In West and Central African countries, forward sales contracts had been used extensively for a long time as a way of

securing input and crop financing with the transaction being underpinned by a stable currency such as the Euro to offset exchange risk. Such successful practices can offer strategic lessons for COMESA member countries.

3) To increase value addition, directly benefiting farmers/ginners, including through diversification into by-products.

Value addition at the farmer level will entail implementing strategies that seek to reduce the cost of farming. The activities that carry significant cost relate to land preparation, seeding, weeding, spraying and harvesting. The value chain for most of the member countries suggest that agro-chemicals, labour and seeds dominate the total cost associated with the cotton value chain. The cost of spraying alone can account for as much as 45% of the total cost. Considering that as much as 50% of the total yield can be destroyed by parasites, it is imperative that farmers are sensitized on the need to observe recommended spraying regimes.

At the farmer level various strategies for value addition will be selected. First farmers will be trained on Good Agricultural Practices and on the need to promote cotton production as a commercial business venture. Secondly member countries will need to develop and make available to farmers appropriate and adapted varieties of cotton. The adoption of organic and fair trade cotton where applicable should be seriously considered. This strategy should be reinforced with market information to farmers on niche markets and organic and fair-trade cotton certification. Finally, the strategy will involve educating farmers on quality assurance and contamination issues.

At the ginner level the strategy will involve promoting market and product development and creating incentive for fully exploring the potential of by-products (seed cotton oil, oilcakes, soap, etc.) and its subsequent trade at regional level. Member countries will require to conduct marketing and promotion campaigns for cotton by-products and to identify market opportunities for them. It will also entail conducting feasibility studies on the viability of investment in these by-products. These efforts must however, be rested on sound investment policies for value addition. Additional interventions relate to the promotion of product diversification in terms of product range (such as cotton free of chemicals which are popular with clients; clean cotton yarn; and cotton seed cake and cotton seed for making cotton seed oil).

4) To reduce the risk to cotton farmers/ginners and to ensure a more stable flow of income.

Many theoretical options exist for independent ginners in SSA to reduce price risks. Forward sales, the most common marketing method in the cotton business, are the easiest and most effective marketing strategy to cover risks. The effectiveness of such sales can be enhanced if they are supplemented by use of market instruments such as futures and options. The application of these instruments can be specified in the physical contract arrangements with merchants.

Approaches to cotton price setting in the COMESA member countries vary, but no country in the region operates a price-stabilization fund. The prices paid to farmers in the region are linked to world prices. In WCA prices are fixed, pan-territorial and pan-seasonal, and announced prior to planting. In recent years, in order to reduce financial risks, most WCA countries have

reformed their pricing systems with a two-tier payment linked to world prices; a base price negotiated at the beginning of the cropping season and a price complement calculated on the actual value of lint sales to be paid at the end of the season.

Pricing performance can be assessed by the proportion of the export price paid to farmers. For Tanzania and Uganda farmers received 68 – 70% of the export price; while in Zimbabwe and Zambia, they received 63-69% in the past decade¹². Where farmer organizations are strong their role in exerting pressure for better prices is demonstrated. There is, therefore, a need for stronger farmer associations to take over some critical functions such as lobbying for better farmer prices, providing extension services and capacity building.

Because cotton is traded in US dollars, cotton prices are affected by movements in the currency. All cotton producers are affected by exchange rate-related issues. For example in Zambia, from 1996 – 2001, the Kwacha depreciated in real terms against the dollar. Cotton earnings were then higher as a result. However from 2002 – 2005 the Kwacha appreciated over 30% against the USD. This put pressure on the export sector which in turn affected earnings from cotton exports. Zimbabwe faces exchange rate issues as well.

In situations where cotton prices are fixed prior to planting, ginning companies take on great risk. The extent of this risk was revealed in the 2003/4 season during which world prices dropped by 30% forcing ginning companies to absorb huge trading losses. This has forced some member countries to reflect on establishing stabilization funds to support producer prices when world prices are low; to be replenished when price are high. The rationale is to avoid dramatic drops in producer prices and to limit market risks.

In addition to establishing price stabilization funds other risk minimization strategies entail a training ginners and farmers on risk management. This strategy is linked to one where the development of private sector-led market-driven insurance risk products is promoted. It is also imperative that a study be conducted on risk analysis (to include weather, price, biological and policy related risks), at farmer and ginner levels. Following the findings emanating from the study, the necessary mitigation tools will be introduced.

Technical assistance is also envisaged in traditional price risk management methods of utilizing hedging instruments at the new York Commodity Exchange. Training in hedging and option trading will be delivered. Moreover, the feasibility of assessing the establishment of a cotton exchange within Africa will be explored and experience in other developing countries (Turkey, China, India or Brazil) will be incorporated through south-south cooperation approaches.

5) To improve farm productivity and increase production of quality lint.

Improving farm productivity and increasing the production of quality lint is one of the major challenges facing the value-chain in the region. The ESA region has one of the lowest cotton yields in the world. Yield enhancement, therefore, is one of the key areas of the strategy.

¹² Comparative Analysis of Organization and Performance of African Cotton Sectors: Learning From Experience of Cotton Sector Reform in Africa, Sept. 2007 page 14.

Member countries in the region have met with varied experiences in this area. As intimated, for most of these countries, improper liberalization initiatives in the cotton industry resulted in the demise of the apex organizations that facilitated market linkages between cotton farmers and ginneries. The regulation of the industry in these countries was thus, considerably weakened. In Tanzania and Uganda for example, efforts by the private sector companies to provide input credit were quickly abandoned as the credit could not be recovered. The Uganda Cotton Ginners and Exporters Association (UCGEA) attempted to supply agro-chemicals to farmers but this was also abandoned. Instead, ginners are being supported to invest in the provision of extension services and to supply inputs. Tanzania on its part, experimented with an input trust fund with the aim of providing farmers access to inputs. An additional challenge is maintaining the quality of seed cotton and lint. In Kenya, the input credit system collapsed, farmer access to agro-chemicals became constrained and the sale of poor quality lint is going unregulated. There is also reluctance by cotton farmers to improve production and to employ good agricultural practices. At the ginner level, the lack of market infrastructure to support seed oil processing and sale of products is another constraint.

In the face of the above challenges, member countries require to employ a wide range of strategies. First there is need for establishing new regulatory frameworks. This will foster market linkages between cotton farmers and ginneries. It will also provide for stricter licensing procedures that will force cotton lint exporters to demonstrate that they are effectively collaborating with small-holder cotton farmers. The regulatory challenge remains significant in most of the member countries such that in the absence of appropriate regulation farmers will be vulnerable to the manipulations of dominant ginners and merchants.

Secondly, improving input credit supply is key to improving farm productivity. In Zambia, the cotton sector built an effective credit and agricultural extension systems which consistently provided farmers with high quality treated seed, sufficient sprays of insecticides and fertilizers. The repayment rate was above 90% in average. This has resulted in an increase in yields and an increase in the number of farmers growing cotton (Tschirley et al 2004).

Thirdly, extension services need to be revamped in many countries such as e.g. Malawi. In order to train farmers, farmer Field Schools will be established. One of their main areas of work would be on good agricultural practices as well as integrated pest management (IPM) systems and their training and dissemination at rural level.

Fourthly, research in new varieties such as drought resistance, BT, etc. need to be enhanced and accelerated in the region. This also includes seed multiplication and the acceptance of seed developed in the region in various countries. Due to lack of funds, research has been lacking behind in many countries but need to be revamped shall the industry grow in future.

Fifthly, research exchange at regional and international level need to be accelerated. East and South Africa cannot afford to be excluded from major international developments in cotton research. The region thus needs to be linked toward centre of excellence outside the region in order to gain momentum for its own research programme aimed at developing high-yielding varieties.

6) Ensure high fibre quality through the provision of inputs, grading and classing including HVI testing.

Many of the areas described under result 5 will also hold true for ensuring high quality fibre, such as extension services, input systems, research in new varieties, etc.

Some member countries including Kenya are now exploring the possibility of growing biotech seeds. It is envisaged that farmer incomes will be significantly enhanced due to their high yielding potential. The experience already made in Africa, mainly in South Africa and Burkina Faso, as well as outside Africa, such as in Brazil, China and India will be examined and experienced highlighted through south-south cooperation activities.

Moreover, the strategies for enhancing quality lint production must seek to improve the grading system to eliminate contamination and to enhance the cleanliness of the cotton. To implement this strategy, the introduction of instrument classing is an imperative. International cotton merchants attach great value to the reliability of lint classification. Finally, contamination is critical in pricing and a country that earns a bad reputation for high contamination will find it difficult to put right its image.

For most of the COMESA member countries, their lint lacks instrument-classing data for each bale exported, the shipments are less reliable and the quality is not homogeneous. Even in cases where the seed cotton quality is typically high, this attribute can only result in premium earnings if it is linked to a lint classification that is reliable. As intimated, instrument testing is rarely used in member countries and yet it is increasingly recognized as the most objective means of assessing quality on the international market.

The strategic thrust in this area will, therefore, be to maintain homogeneity of quality through effective controls and to maintain good classification. It will also entail educating farmers on the value of quality assurance in seed cotton, developing and enforcing rules for trading between farmers and ginneries, developing a certification system for compliance with established quality standards, enacting policy to promote the use of HVI classing and promoting investment in the HVI classing equipment.

7) Increase cotton trading and marketing capabilities to effectively market African cotton and capture possible high prices.

ESA cotton has traditionally been traded by international merchants at world markets. Many, if not most of the local/national ginneries operation in the region do not know the final customer or have a clear understanding how the cotton is processed once it is baled and delivered ex-factory to an international merchant. The lack of knowledge also includes transport and logistic channels and opportunities, lack of knowledge of international trading rules such as incoterms but also cotton trading rules of the ICA under which around 80% of cotton is traded worldwide. This lack of knowledge puts ginneries and subsequently also farmers in a very weak price negotiating position vis-à-vis international merchants. While the important role of international merchants is non-disputed, more transparency of the price setting mechanisms, world markets, including direct contacts with cotton consumers (i.e. spinning mills) will be very beneficial to ensure the capture of higher prices for ginneries and farmers. In some instance more direct sales channels could also be explored through partnership development with final consumers in target markets.

The strategy stresses that farmers as well as local/national ginneries need to have a sound overview of the entire cotton value chain in order to understand their role, contribution and constraints. Without this they are locked into their own small world. All major cotton producing countries realised this and have clear programmes on this, incl. USA, Australia and China. For example, large Chinese spinning mills bring farmers and ginneries regularly to the mills so that they understand the process. That also brings more value to the work of the farmer, including self-esteem and recognition.

Without a clear market link there is a risk that the wrong type of cotton is produced. For example there is presently an oversupply of organic cotton in the market. Cotton produced in some Western and Central African countries is sold as "normal" cotton as prices for organic cotton are too high and catered for from India and Syria.

The strategy further emphasises that it is vital for farmers to understand value addition and hindrance towards it, including contamination, etc. It is important that ginneries and farmers see and understand cotton processing will they realize the importance of better farming practices that minimize contamination. This can be achieved through a close interaction with the market (traders and spinning mills a the final consumer of the cotton fibre).

One of the major problems of the sector in ESA is that some ginneries and many farmers do not understand price fixing, international trade and logistics and contract negotiations, etc. This was mentioned as an important hindrance and source of conflict in the cotton sector during the strategy formulation process. This can only be solved if ginneries/ farmers have a clear understanding of how the market works. For example, in Tanzania the cotton season starts in the middle of June with the cotton price fixing. Farmers need to understand the background as they are part /interwoven with the world cotton market. Their cotton ends up in a store in the US, as a garment made in Bangladesh, with the yarn/fabric coming from China and the cotton sold to a trader they do not even know.

One important element of the strategy is to foster market understanding and direct participation through south-south cooperation. Farmers in Africa can learn tremendously from other farming practices in other developing countries, incl. in India, China, Brazil and Turkey. Such technology transfer will be organised together with other international organisations such as ITC, FAO, The World Bank, etc.

Moreover, the strategy entails building the capacities of farmer organizations to hand-walk their members into more systematic contractual trade relationships. For example, they could start by entering into formalized contract farming relationships. Stronger farmer organizations are more likely to access information regarding the conditions prevailing on the world market; and also be able to negotiate a pricing approach tied to world prices.

Furthermore, ginneries can spread their risks by committing proportions of the total production to different marketing options. Member countries should also explore the possibility of direct sales by ginneries to spinners through commissioned agents – to save the costs associated with intermediation while enhancing quality and of market knowledge.

Finally, African cotton trading can also be enhanced through electronic trading. E-trade platforms can be an effective means for price discovery occasioned by multilateral bids and offers. Moreover, on-line contracting and trading can greatly reduce transactional costs. To attain this objective therefore, ginners in member countries need to be informed and trained to understand the workings of the world market and to know the rules of international trade and how to use risk management tools based on futures trading.

8) Ensure efficient institutional infrastructure that serves its members.

The strategy on the cotton – to – clothing value chain has been designed and is fully owned by COMESA and ACTIF on behalf of member countries. It is envisaged that when the tripartite arrangement between COMESA, EAC and SADC is fully realized, the resultant apex body will then become the repository of the strategy. At the moment however, COMESA working closely with ACTIF, has the primary responsibility for implementation. A committee comprising of stakeholders drawn from some of the development partners (ITC, EU, FAO, NB and UNCTAD) and members of ACTIF will be responsible for implementation oversight.

The COMESA strategy provides a framework for realizing the objectives established at the regional level. COMESA through ACTIF and other providers will support the development of national level plans that will contain the strategies and priorities for implementation. In other words, national level initiatives will amplify and customize the priorities and strategies articulated in the regional strategy.

While COMESA and ACTIF are strong regional organizations, that cannot be said of national and regional cotton associations. Apart from ACTIF there is no pan-ESA cotton association existing that could strongly serve its members at regional level. This is in contrast to the situation in West and Central Africa where strong regional cotton producer (APROCA) and ginner associations (ACA) exist. The major aim of the strategy under this result is thus the development of a strong institutional infrastructure at regional as well as national level.

What is true at regional level is also true for many countries at national level. Cotton farmer and ginner associations are often weak as organs to provide policy advocacy for its members vis-à-vis the government or regional bodies. In addition, these associations are weak in providing the necessary service to its members. These services include market, trade, and production information, etc. and related training in farming and ginning practices. To serve their members at a regional level, associations should ideally be connected through an information system that allows to compare situations and to develop joint approaches and solutions. The strategy envisages to develop such an information management system.

But information alone will not help farmers and ginners. Both need to upgrade their skills and know how. Associations are ideal hosts to do so. Technical assistance generated through the strategy will therefore be focused and addressed toward the institutional meso level so as to build capacity of intermediaries that will transfer knowledge and know how to its members. Intra-African cooperation as well as south-south cooperation with other cotton-producing countries around the world will also help to build the necessary institutional infrastructure that serves its members.

In all areas (1-7) of the strategy implementation, national and regional farmers and ginners associations will be closely involved. Such an approach ensures the full ownership of the strategy by the associations and its members. It will also ensure that capacity is built while doing the job of lifting the region's cotton capacities to a new level.

Textile Sub-sector

1) *To enhance competitiveness and increase trade in the textile sub-sector.*

The textile sub-sector comprises of yarn manufacture (spinning), fabric manufacture (knitting and weaving), home textiles and made-ups, technical and medical textiles. The sub-sector suffers from constraints relating to obsolete equipment, underutilized spinning capacity, low product and market diversification, lack of harmonization of trade policies within the regional groupings, weak private/public sector partnership and weak lobbying capacities to influence multilateral trade negotiations.

This strategic objective in this area is to address the risks facing the textile sub-sector in Africa and to grow the industry. The aim is to exploit the opportunities afforded under existing trade agreements. This strategic plan thus, aims to make the most effective use of existing international and inter-regional trade agreements. The general thrust being, to develop regional and international markets by maintaining competitive advantage in niche market areas and in the general area of trade in textiles.

The first strategic thrust for this area of the value chain will be to increase the utilization of existing capacities and promote investment in modern technologies. COMESA, together with the member states will develop and promote policies that can nurture sectoral lending as in the case of India, China and Bangladesh. In these countries, the governments have linked the licensing of commercial banks to mandatory sector-focused lending. An alternative strategy can be to follow the Ethiopian experience, where the government provided 70% investment capital lending provided the investor raised 30% of the total requirement. For the other countries, the establishment of a Technology Up-gradation Fund (TUF), can be a viable option. This will entail establishing low interest earning financing for textile mills wanting to modernize their plants. Since the technology used in most member countries in the region is obsolete, COMESA will work with national governments and development partners to introduce Technology Up-gradation Funds at national and regional levels.

To ensure that there is a critical mass to attract investment in the sector, COMESA, ACTIF and national governments will promote the Buy Africa Build Africa (BABA) Initiative aimed at meeting the national, regional and international relief agencies textile and apparel from the national and regional manufacturers. This will create economies of scale needed to make the industry competitive to compete effectively in the international market. This effort can be tied up to the provision of free primary education by adding free school uniforms for the lower primary students. The Ugandan Government is currently discussing this model and may soon implement the policy beginning with the schools under the Universal Primary Education.

Availability of affordable and highly skilled manpower is key to achieving competitiveness and attracting investment in this sub-sector. COMESA will work with member states, ACTIF and development partners to select and

upgrade some of the National institutions to regional centres of excellence to promote regional skill transfer within the region. COMESA will also tap into the ITC led South –South cooperation to get relevant training models for capacity building from the Asian textile giants.

To enhance access to diversified raw material sources, COMESA will work together with ACTIF and development partners to provide information on diversified sources of raw materials. This information will be made readily available to the industry through the national associations and information websites. COMESA will also promote and attract raw materials suppliers to invest in the region to reduce speed to market. To develop synergies across the region, COMESA will promote the development of a regional supply chain.

The level of product design, diversification and branding is very low in the region. Most manufacturers tend to produce the traditional products that are not trendy. COMESA/ACTIF will promote the product design, diversification, branding to enhance marketing and market development. This will be achieved through training and provision of market information. Apart from this, regular meet the buyer events, exchange visits through ITC South –South cooperation and regional trade events aimed at exposing the manufacturers to the best practices and latest trend in the industry will be organized. The industry will also be encouraged to embrace product diversification into more finished products such as the technical, home and medical textiles, none woven and narrow fabrics to increase the product range. The cottage industry will also be targeted as a driver for this sector as it has a great potential for growth, the selected firms will be provided with tools and capacity to grow brand and market products. COMESA together with ACTIF will work with development partners to build the capacities of the cottage industries to supply the local, regional and international market. The activities in this sector has been developed under three result areas: **Result 1** Manufacturing processing efficiency increased, and **Result 2** Product development and diversification enhanced **Result 3** market access expanded and African textile products promoted to increase trade

Clothing/Apparel sub-sector

1) To diversify product lines and improve manufacturing efficiency in the clothing sub-sector.

The major issues that would need to be addressed in the clothing sub-sector are the low product and market diversification of ESA countries and the thus underutilization of market access opportunities that exist in major markets such as the USA and Europe; as well as in emerging markets such as South Africa, India and China that provide unilateral concession to most African LDCs.

The immediate objective is to diversify products and improve production. To achieve this, activities under the strategy will entail mounting regular public-private sector forums for increased interaction, improving market access within ESA, developing regional training centres, increasing the skills level of managers in customer service and merchandizing as well as in machine operation, developing relationships with leading training and fashion institutes in Asia, and strengthening national as well as a regional sector associations. At the micro level, activities will involve supporting entrepreneurs to improve product efficiency, quality assurance and management; encouraging the targeting of small volume and high quality

niche products and markets, accessing trade information and market knowledge, incorporating local and regional ethnic designs, promoting niche products such as clothing made out of organic cotton,

and utilizing the knowledge of expatriates in product development and marketing.

A corollary to this strategy will be the improved sourcing of raw material as a crucial factor to increase competitiveness, as no country has all the material needed freely available. A regional and inter-regional approach will be adopted to ensure that the industry has the inputs available to compete in international markets. Activities to ensure this include investment promotion in ancillary industries, appropriate clustering of the ancillary industry so that the region has access to it, improving logistics in the region and the free flow of accessories. Additional activities include the creation, through a regional association of a regional database of what is available in the region and what needs to be sourced; as well as organizing regional trade fairs. Finally, regional match-making events will be organized and merchandising skills developed for the procurement of all kinds of inputs, including fabrics, spare parts, ancillaries, etc.

6. ***To diversify markets in the clothing sub-sector.***

The strategy in this area entails developing markets and selecting appropriate marketing and market penetration approaches through a diversified product range. Activities at the macro level include, inter alia, developing simple rules of origin requirements for intra-regional ESA trade, promoting regional branding and Africa as a reliable destination of quality clothing as well as developing a regional strategy of marketing of small volume high quality niche products. Moreover, COMESA will support the development of new markets through improved market access conditions and tariff reductions in target markets. At the meso level, activities include providing market information through regional and national associations; and the promotion of regional trade fairs as well as increased participation in international trade fairs by regional teams representing Brand Africa. Finally at the micro level activities include improving marketing and promotion skills at enterprise level, increasing design, market development and marketing skills, trade fair participation and business match-making.

7. ***Establish an institutional framework for the implementation of the regime strategy.***

The strategy on the cotton – to – clothing value chain has been designed and is fully owned by COMESA on behalf of member countries. It is envisaged that when the tripartite arrangement between COMESA, EAC and SADC is fully realized, the resultant apex body will then become the repository of the strategy. At the moment however, COMESA working closely with ACTIF, has the primary responsibility for implementation. A committee comprising of stakeholders drawn from some of the development partners (ITC, EU, FAO, NB and UNCTAD) and members of ACTIF will be responsible for implementation oversight.

The proposed support for the strategy by the development partners will be provided within the framework of the “All ACP Agricultural Commodities Programme” whose objective is to improve incomes and livelihoods of ACP producers of agricultural commodities. It is envisaged that under this

arrangement, each member agency will be able to contribute to COMESA's vision for the cotton sector.

ITC has institutional strengths in the areas of trade policy development, trade intelligence, development of export strategies, strengthening of institutional capacities and exporter competitiveness. It is expected that the agency as a member of the Implementation Committee will help monitor the implementation of the strategies and support market and product development. Some of the specific activities will relate to mounting launch forums, providing market information, developing new products and markets, improving supply chain performance upgrading and building the capacities of institutions within the entire value chain. Additional activities will involve promoting south-south co-operation at intra- and inter-regional level, building linkages and promoting matchmaking activities between buyers and manufacturers.

FAO's contribution will focus on diagnosing the problems relating to the cotton production and helping to strengthen farmer and ginner organizations. The agency will also be expected to support initiatives leading to improved farmers' productivity through increased access to Good Agricultural Practices (GAP) and extension services. In collaboration with the World Bank, FAO will also develop risk management instruments and support local institutions in member countries in their effective use. The two agencies will also be involved in initiatives leading to enhanced access to inputs, strengthening agricultural inputs markets and value chain finance.

In addition to ITC, FAO and WB, several other development agencies such as CFC and UNCTAD are potentially interested in supporting the COMESA cotton – to – clothing strategy. The CFC has the capacity to support the financing of projects within the value chain through the establishment of credit lines through intermediary institutions through co-financing. CFC's implementation strategies which could be brought into the framework entail, improving the competitiveness of the cotton producers, ginner and manufacturers; supporting the sustainable operation of the value chain; addressing the vulnerability of exporters; and assisting the development of market promotion mechanisms.

The COMESA strategy provides a framework for realizing the objectives established at the regional level. COMESA through ACTIF and other providers will support the development of national level plans that will contain the strategies and priorities for implementation. In other words, national level initiatives will amplify and customize the priorities and strategies articulated in the regional strategy.

As much as possible the implementation of the programme activities will be through the frontline structures and staff existing in member countries. The capacities of these structures will however, be strengthened through COMESA/ACTIF/Development Partner support.

The Critical Success Factors

3.7 The effectiveness of the selected strategies and the resultant attainment of the set objectives will depend on various critical success factors. First, improved intra-regional and international integration will be a necessary condition for success. In promotion of this desirable environment, COMESA through ACTIF and other partners will analyze the complexities of the different trade agreements and

their impact on African trade in cotton, textiles and apparel. It will also help establish consensus-driven positions on each trade agreement.

3.8 The second critical success factor is value chain integration. In order to realize this desirable environment, the development partners (ITC, FAO, WB, UNCTAD etc), COMESA and ACTIF will undertake detailed value chain analysis (VCA) both nationally and regionally. The aim of this exercise will be to identify gaps and areas of possible linkage, synergy and integration. Related to this is a third critical success factor which is to provide an enabling business environment by reducing the cost of doing business. In this regard, COMESA through ACTIF and other partners will help to actively lobby policy change at national and regional levels to reduce the cost associated with key inputs into the value chain.

3.9 It is also critical to build strong institutional strengths within COMESA and ACTIF, including a strong technical capacity and sustainable financial support. The development of this strategic plan is a major step towards establishing the requisite capacities. COMESA and ACTIF will play a major role in strengthening the capacities of national and regional level structures in the industry. These actions are intended to elevate the economic status of the African cotton and textile industry to a higher pedestal in the continent's development.

3.10 It is also critical that the cotton and textile industry maintains competitive and comparative advantages. COMESA, ACTIF and the development partners will help nurture this environment by undertaking studies to identify the strengths and advantages of the African cotton and textile industry. Such studies will also identify the weaknesses in the industry and propose mechanisms for addressing them. Closely related to this is the need for efficient logistics management. COMESA will assist by identifying efficient logistics corridors; trade facilitation; security aspects; improved and cost-effective sea/air transport; communication facilities and effective customs.

3.11 Related to the foregoing, it is critical that ACTIF/COMESA become the catalysts for public-private partnership dialogue in all the member countries. As intimated, it will build the capacities of national level structures and maintain a direct link to the different national and international dialogues. It will also assist national organizations in their dialogue with their respective stakeholders.

3.12 Niche market development is a critical success factor. With regard to this imperative, each member is to undertake niche market analysis in potentially competitive products with the support of COMESA and development partners. The organization will, in addition, develop a general product list where Africa may have a niche market potential, and assist countries build negotiating positions around such products. Related to this, it is also essential that COMESA mounts an aggressive drive to bring on board all African countries to act together on cotton – to – clothing value chain issues. This will be necessary in order to realize the critical mass necessary for effective negotiation with other players in the world market.

3.13 Knowledge of competitors is another critical success factor; and COMESA, ACTIF and ITC will play a key role assisting members conduct analyses of key aspects of international competition with African products. Related to the above, it is imperative that African players have a unified voice in order to increase their ability to negotiate and seek trade advantages. ACTIF will assist by setting a common agenda derived through consensus, including the establishment of common positions on relevant aspects relating to trade in cotton and textiles.

3.14 Finally, the integration of policies on existing trade agreements is an imperative. COMESA will play its role by helping members establish common positions.

Chapter Four

4.0 Strategy Implementation

Introduction

4.1 This chapter presents the Logical Framework Matrix and provides the road-map which will be used to implement this strategic plan. The objectives outlined in the preceding Chapter Three can only be realized when the concomitant strategies are implemented. This chapter therefore, contains the outputs and the supporting activities for implementation together with indicators for measuring performance.




4.2 The Logical Framework Matrix has great value in clarifying thinking about the programme of intervention in the cotton sector in the East and Southern Africa region. It clarifies the activities and tasks to be achieved and how progress on the development of the sector will be evaluated. It captures the purpose of the strategic plan which is to develop an over-arching programme framework for the cotton-to-textile sector. The plan integrates current and planned inputs of member countries with those of regional and multinational agencies such as EAC, COMESA, SADC, ITC, FAO and the World Bank. Gaps remaining for a possible external financing have also been identified. Finally, a prioritization of critical activities (P₁, P₂, P₃ and P₄) is presented with those denoted as P₁ and P₂ being accorded the highest priority in implementation.

Cotton sub-sector Logical Framework Matrix

Result 1 Seed cotton and lint contamination reduced to increase prices captured	1. The % growth in farm incomes resulting from reduced contamination and subsequent higher prices received.	The COMESA/ACTIF annual reports. Annual reports from member countries.	
	2. % Increase in cotton prices (premiums) received thanks to reduced contamination	Records of farmers and ginneries	
	3. Testing, accreditation and quality agencies established in the region.	COMESA Annual report.	
	4. Extension services for cotton farmers revamped in member countries with special focus on reducing contamination	National reports of the Ministries of Agriculture. ACTIF Annual report.	

	5. The % increase in smallholder farmers trained on Good Agricultural Practices (GAP) and how to reduce contamination in member countries.	ACTIF Annual Monitoring report. National reports of Ministries responsible for agriculture.	
	6. A regulatory framework for ginning activities established in the region.	COMESA Annual report.	
	7. A market information system (MIS) showing market trends and available premiums established and used by ginners in member countries.	ACTIF annual report.	
	8. The % increase in farmers earning a premium price for their cotton.	National associations and Government organizations (e.g. Cotton Boards) reporting on cotton	
	9. An HVI classing system (cotton grading) established in the region that supports marketing of non-contaminated cotton	COMESA Annual report. ESA Laboratories participating in ICAC round-trials	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
1. Mount importance of reducing contamination along the value chain through awareness training workshops, and tours.	The % of small-scale cotton farmers trained and who understand their role in the value chain. No. of workshops/trainings organised	National agricultural monitoring reports. COMESA/ACTIF monitoring reports.			↔			1. National Association 2. Member countries 3. Private Sectors
2. Organize business and farm visits between farmers, ginner and spinners/ textile mills (within Africa and in market destinations).	The % of stakeholders in the value chain making business/ farm visits with each other. No. of visits organized A regional programme to facilitate stakeholder visits and exchange of experience operationalized.	National monitoring reports. National Associations reports. ACTIF monitoring reports.				↔		National and regional associations.
3. Increase understanding of destination markets and clients requirements.	The % of stakeholders along the value chain trained in client/market requirements. No. of workshops and market visits organised	ACTIF programme reports. National monitoring reports.			↔			1. National associations 2. ITC 3. ACTIF

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
4. Enhance South – South co-operation to learn how other countries reduced contamination.	<p>The % growth in technical collaboration initiatives/programmes in South-to-South cooperation.</p> <p>No. of methods adopted that were successfully used in other developing countries</p> <p>No. of south-south cooperation events organised</p>	<p>COMESA/ACTIF monitoring reports.</p> <p>COMESA/SADC/EAC/ACP reports.</p>	1. Member countries are willing to support South-to-South collaborative arrangements.					<p>1. Member country Governments</p> <p>2. National Associations</p> <p>3. COMESA/SADC/EAC/ACP.</p>
5. Enhance agricultural extension services including IPM and GAP	<p>The % of farmers reached by national agricultural extension services.</p> <p>The % of small-scale farmers adopting GAP and Integrated Pest Management practices.</p> <p>No. of farmers that actively reduced contamination.</p>	<p>National agricultural monitoring reports.</p> <p>National agricultural monitoring reports.</p> <p>National and ACTIF monitoring reports.</p>					<p>1. National governments</p> <p>2. National associations</p> <p>3. Regulatory authorities</p> <p>4. Development partners.</p>	
6. Establish cotton quality assurance mechanisms to reduce seed cotton contamination	<p>The % of farmers educated on quality assurance.</p> <p>The % of farmers with GAP including integrated pest management, good harvesting</p>	<p>National monitoring reports.</p> <p>National monitoring reports.</p>						<p>1. National association</p> <p>2. Regulatory authorities</p> <p>3. Development partners.</p>

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	farm, storage, grading, transportation and pre-ginning selection quality control.							
7. Enhance farmer education e.g. through Farmer Field Schools	<p>The % of member countries with Farmer Field Schools (FFS).</p> <p>The % of farmers attending FFS.</p> <p>The % of farmers with managerial skills and who practice commercial farming.</p>	ACTIF monitoring reports.		↔				<p>1. National Associations</p> <p>2. ACTIF</p> <p>3. Farmers Associations</p> <p>4. Development Partners.</p>

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
8. Establish seed certification and quality control systems.	<p>The % increase in the number of farmers with access to certified seeds.</p> <p>Seed certification system operational.</p>	<p>National monitoring reports.</p> <p>National and ACTIF monitoring reports.</p>				↔		<p>1. National Research Agencies</p> <p>2. Private sector</p> <p>3. National Associations.</p>
9. Promote the development of out-rowers schemes, with specific focus on reducing contamination.	<p>The % of countries with viable out-growers schemes.</p> <p>The % of farmers belonging to out-growers schemes.</p>	<p>National monitoring reports.</p> <p>National monitoring reports.</p>				↔		<p>1. National Associations</p> <p>2. Development Agencies</p>

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
10. Promote and brand non-contaminated quality cotton in selected destination markets.	Number of promotion activities in destination markets	National and regional monitoring reports						
11. Work together with market players (spinning mills) to jointly address contamination and capture of possible premium prices	Number of market partners engaged Number of measures jointly introduced	Feedback received from market partners						
12. Educate farmers on quality assurance including farmer field schools FFS	The % of farmers attending training on quality assurance. The % reduction in contamination in seed cotton.	National monitoring reports. ACTIF monitoring reports		↔				1. National associations 2. Development partners.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
13. Improve market information systems, including or non-contaminated cotton	National Market information platforms established in member countries. Farmers, ginners and manufactures accessing essential market information e.g. cotton price index.	National Monitoring Reports. ACTIF Programme Monitoring Reports.	1. Capacity of National Associations are built.		↔			1. National Associations 2. ACTIF 3. Development Partners (ITC, ACP)
14. Develop rules for trading cotton between ginners and	Transparency in cotton trade between ginners and farmers established.	National Monitoring Reports.			↔			1. National Associations.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
farmers to ensure that achieved premiums are passed on to farmers								2. ACTIF
15. Set up regional training institutions for key critical areas in the cotton value chain.	The proposed cotton school in Kenya and the Busetieina University in Uganda implementing curricular in key critical areas in the cotton value chain.	The Training Reports of the Cotton School and Busetieina University Uganda. ACTIF Monitoring Reports.				↔		1. The Cotton School in Kenya 2. Busetieina University, Uganda

Result 2 Transparent rules-based system of cooperation between/among farmers, ginners and traders developed	A regional legal framework for the governance of the cotton industry established.	The regional legal framework document.
	Regional and national farmers associations strengthened	National monitoring reports. ACTIF monitoring reports.
	An institutional framework developed to strengthen ginners and farmers partnerships.	Annual reports of ginneries. National monitoring reports.
	Rules for trading (codes of conduct) in cotton between farmers and ginners developed and farmers conversant with rules for trading in cotton between farmers and ginners.	National monitoring reports.

	The % of farmers and Farmer Association accessing information on market opportunities and premiums.	The ACTIF/National Annual Monitoring reports
	A regulatory framework for ginning activities established in the region.	COMESA Annual report.
	A market information system (MIS) showing market trends and new technologies (fair trade, organic cotton production) established and used by ginners in member countries.	ACTIF annual report.
	Decrease of side selling by farmers.	Report of national/regional farmer associations
	Stakeholder dialogue system in place and operational	ACTIF annual report. Annual reports of other stakeholder groups (farmers, ginners, etc.).
	Decrease of ginners that circumvent outgrower schemes by buying the crop financed by other ginners.	Report of national/regional ginner associations

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
16. Educate farmers on legal framework and contract farming.	The % of farmers trained and who understand the legal and policy framework and their role in the value chain. No-of trainings organized.	COMESA/ACTIF monitoring reports. National agricultural monitoring reports.					↔	National Associations and Development Partners.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
17. Strengthen farmer and ginner associations and develop codes of conduct/self regulation for their operations	<p>The % of national associations with established codes of conduct and practicing self regulation.</p> <p>% of farmers/ginners belonging to national/ regional associations with established codes of conduct and self regulations.</p>	<p>National agricultural monitoring reports.</p> <p>ACTIF monitoring reports.</p>				↔		National association, member governments and development partners.
18. Increase cooperation along the value chain through training workshops and tours.	<p>The % of small-scale cotton farmers trained and who understand their role in the value chain.</p> <p>No. of workshops and trainings organized.</p>	<p>National agricultural monitoring reports.</p> <p>COMESA/ACTIF monitoring reports.</p>			↔			<p>National Association</p> <p>Member countries</p> <p>Private Sectors</p>
19. Establish a programme for sharing Best Practices on farmer-ginner interaction in the region including through exchange visits	<p>A regional platform for information exchange established and functional.</p> <p>Best practices posted on regional information systems and made available to all</p>	ACTIF/COMESA(EAC/SADC programme reports.		↔				<p>ACTIF</p> <p>National associations</p> <p>National governments.</p>

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	stakeholders.							
20. Build capacities of farmers in institutional governance and management.	<p>The % of farmer associations practicing proper Governance Code.</p> <p>The % of farmer associations with improved management systems and practices.</p>	ACTIF monitoring reports..				↔		<p>National Associations</p> <p>ACTIF</p> <p>Development partners.</p>
21. Create transparency between farmers, ginners and traders by providing market information and market intelligence, including a cotton price index and information on niche markets (low contaminated, organic, fair trade cotton) through trade associations.	<p>Information system operational</p> <p>No. of farmers/ ginners/ traders using the information actively.</p>	<p>National monitoring reports.</p> <p>COMESA/ACTIF/National trade statistical reports.</p>			↔			<p>Development Partners</p> <p>National Trade Associations</p> <p>ACTIF.</p>
22. Create transparency through enhance South – South co-operation among ESA countries and by learning from other cotton producing countries.	<p>The % reduction in barriers to trade between collaborating countries.</p> <p>No. of cooperation initiatives launched within ESA and beyond.</p> <p>No. of south-south cooperation activities</p>	<p>COMESA/ACTIF monitoring reports.</p> <p>COMESA/SADC/EAC/ACP reports.</p>				↔		<p>Member country Governments</p> <p>National Associations</p> <p>COMESA/SADC/EAC/ACP.</p>

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	organized No. of active follow-ups initiated.							
23. Promote common regional registration of seeds.	The % of farmers growing improved seed varieties. The % of countries who are members of a common regional seed registration service.	National monitoring reports. National monitoring reports.		↔				National Associations Governments of member countries Regulatory authorities.
24. Develop a regional certification system for compliance with established quality standards and a code of conduct between ginners and farmers.	An effective certification system that governs trade in cotton established and operational. The % of countries following the certification system.	ACTIF monitoring reports. ACTIF monitoring reports.				↔		National Associations ACTIF.
25. Organize business and farm visits between farmers/ ginners and spinners/ textile mills (within Africa and in market destinations) to increase transparency	The % of stakeholders in the value chain making business(farm visits with each other.	National monitoring reports. ACTIF monitoring reports.				↔		National and regional associations.
26. Increase understanding of destination markets and	The % of stakeholders along the value chain	ACTIF programme reports.				↔		National associations

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
clients requirements by Farmers and Ginners to increase transparency	trained in client/market requirements. No. of market visits organized. No. of cooperation activities organized with market partners.	National monitoring reports.						ITC ACTIF
27. Provide information and training on international cotton trading rules and incoterms.	The % o ginners trained on international trading rules and incoterms. No. of training events organsied and feedback received.	National reports on training of ginners. ACTIF report on training of ginners in the region.				↔		National associations ACTIF International development partners.
28. Align national and regional regulations with international trading rules.	National trading regulations in harmony with regional and international trading rules.	COMESA programme reports.				↔		COMESA, ITC, ACTIF, National associations and Member governments.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
29. Promote the development of out-rowers schemes as a visible means of cooperation between ginners	The % of countries with viable out-growers schemes.	National monitoring reports.				↔		National Associations

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
and farmers.	The % of farmers belonging to out-growers schemes. Side-selling reduced	National monitoring reports.						Development Agencies
30. Standardized regional registration of imported inputs that is used by ginners and farmers.	The % of member countries with standardized registration on imported inputs.	Official trade statistics of member countries.					↔	Individual countries.
31. Develop/standardize IPR laws for regionally developed seeds.	Standard IPR laws in operation in member countries.	National documents on IPR laws.				↔		National Associations.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
32. Develop a regional regulatory/arbitration scheme for disputes between farmers - ginners and ginners – traders/mills.	A regulatory and arbitration scheme complying with international standards established.	COMESA monitoring reports.					↔	COMESA, EAC, SADC and ITC
33. Build the capacities of institutions along the value chain that support cooperation between (and among) farmers and ginners	The % of farmers, ginners and manufacturers undergoing skills upgrading. The % of member countries with established cotton schools.	ACTIF monitoring reports. National monitoring reports.			↔			1. National Associations 2. COMESA 3. ACTIF

Result 3		
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Value addition, including diversification into by- products increased	The % growth of increased value-added cotton lint (e.g. low-contamination, organic, fair trade, etc.)	
	The % growth of by-products developed and utilized (oil, oilcakes, husk)	The COMESA/ACTIF annual reports. Annual reports from member countries.
	The % of farmers and Farmer Association accessing information on cotton by-products, their utilization and markets.	The ACTIF/National Annual Monitoring reports The % of farmers and Farmer Association accessing information on research and seed development, and inputs supply.
	Policy review undertaken and constraints to regional trade of cotton by-products removed.	COMESA/EAC/SADC/ACP reports
	A market information system (MIS) showing market trends in cotton by-products operational.	ACTIF annual report.
	The % of ginneries with capacity to process cotton by-products.	National records. ACTIF annual report.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
34. Undertake a policy review and develop recommendations that facilitate the production and trade of by-products	Policy review undertaken No. of recommendations developed and implemented.	COMESA(EAC/SADC/ACTIF reports						
35. Mount value chain awareness on	The % of small-scale cotton	National agricultural monitoring reports.			↔			National

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
all by-products through training workshops, and tours.	farmers trained and who understand their role in the value chain. No. of training events undertaken and feedback received	COMESA/ACTIF monitoring reports.						Association Member countries 3. Private Sectors
36. Establish a programme for sharing Best Practices in the region and beyond (through south-south cooperation) on utilizing by-products	A regional platform for information on best practice exchange established and functional. Best practice information used by national stakeholders.	ACTIF/COMESA programme reports.		↔				ACTIF National associations National governments.
37. Develop and use appropriate and adapted varieties.	The % increase in yields of by-products developed.	ACTIF monitoring reports.		↔				National Associations ACTIF Farmer Organizations Extension Agencies of national governments.
38. Improve understanding of the economic value of by-products.	The % increase in farmer and ginner incomes resulting from	The ACTIF monitoring reports.		↔				ACTIF

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	the use of by-products.							National Associations Investors in Ginneries Farmer Associations.
39. Identify market opportunities for cotton by-products.	The % growth in trade in cotton by-products. No. of new markets identified.	. The ACTIF Monitoring Reports.			↔			Development Partners. ACTIF
40. Conduct feasibility studies to determine the viability of investment in by-products.	The viability of downstream investment in by-products ascertained.	18. The feasibility study report.		↔				Private Sector.
41. Set up regional training institutions for key critical areas in cotton value chain, including the utilization of cotton by-products.	The % growth in the number of stakeholders trained in the opportunity for and use of cotton by-products in regional training institutions.	16.1 ACTIF programme reports. 16.2 Records of regional training institutions.				↔		National governments COMESA.
42. Enact policies that encourage processing and utilization of cotton by-products.	The % increase in farmer incomes resulting from additional payments due to by-products. The % of ginneries with facilities for processing by-products.	National associations monitoring reports. ACTIF monitoring reports. Reports of ginneries. Individual country policy documents on			↔			Individual countries.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	A regional policy on by-products use established.	by-products use.						
43. Develop sound investment policies for value addition through by-products.	National policies for investment in by-products developed.	Official Government policy documents on the cotton industry.		↔				Individual country government.
44. Promote investments in by-products.	The % increase in value resulting from trade in cotton by-products. The % growth in revenue emanating from investments in by-products. % increase in investments in by-products at national and regional level.	The trade reports of investors. ACTIF monitoring reports. Financial statements of investment firms.						National Associations National Governments ACTIF Private Investors.
45. Establish technology up-gradation funds to encourage investments in the utilization of by-products.	The % of countries with technology up-gradation funds (TUF). The % growth in the level of funds earmarked for technology up-gradation in member countries.	Financial records of the TUF. Financial records of TUF. ACTIF programme reports.				↔		Private Sector (Banks) National Governments.
46. Promote market/product development and create incentives for by-products trade	The % increase in the value of by-products traded.	ACTIF MIS.			↔			Private Sector.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
(e.g. zero tariffs).								
47. Conduct marketing and promotion campaigns for cotton by-products.	<p>The % increase in sales of cotton by-products.</p> <p>The % increase in trade in cotton by-products in the region.</p>	<p>National monitoring reports.</p> <p>The ACTIF Monitoring Reports.</p>			↔			Private Sector.
ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
48. Pursue the adoption of policies to promote regional value chain that links the entire ESA region (harmonization of tariffs on lint, by-products , yarn, fabric and apparel).	<p>A joint COMESA, EAC and SADC regional cotton and textile industrial policy developed that includes trade in by-products.</p> <p>Tariffs on cotton by-products in the region harmonized and free intra-regional trade allowed.</p> <p>Duty on intra-regionally traded by-products is zero rated.</p> <p>COMESA, EAC and SADC have a common external tariff.</p>	<p>COMESA, EAC and SADC tariff documents.</p> <p>Trade regime reports of member countries.</p> <p>COMESA, EAC and SADC documents on tariffs.</p> <p>COMESA, EAC and SADC documents on tariffs.</p>				↔		COMESA, EAC, and SADC Private Sector
49. Create value-added products through the promotion of organic, fair-trade and low-contaminated	The % of countries with programmes on promotion of organic, fair-trade and low	<p>ACTIF programme reports.</p> <p>National Association</p>				↔		COMESA, EAC and SADC

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
cotton where applicable.	contaminated cotton.	reports.						
50. Provide actors in the value chain with information on destination markets of cotton by-products and on clients lint requirements.	The % of farmers, ginners, spinners and manufacturers with up-to date information on market and client requirements of their product.	ACTIF Monitoring Reports.				↔		ACTIF Development Partners.

Result 4 Price and weather risk reduced to ensure a more stable flow of income	A price risk management system for lint established in the region.	COMESA/ACTIF/National Annual Reports.	
	Feasibility for the establishment of a regional cotton exchange assessed, and, if assessed as feasible, established	COMESA/ACTIF/National Annual Reports	
	Associations of farmers, ginners and local merchants able to train their members of price and weather risk management techniques	COMESA/ACTIF/National Annual Reports	
	Feasibility of a smoothing funds assessed	Feasibility report	
	Increase of number of farmers better protected from risks (fluctuating prices and weather changes)	National/regional farmer/ ginners associations reports	
	% increase of farmers/ ginners that utilize insurance schemes.	National/regional farmer/ ginners associations reports	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
51. Establish a programme for sharing Best Practices on risk management in the region.	A regional platform for information exchange established and functional.	ACTIF/COMESA programme reports.		↔				ACTIF National associations National governments.
52. Improve(provide market	The % growth of information on trade	National monitoring reports.						Development



ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
information and market intelligence through trade associations so as to create awareness of risks and possible mitigations.	displayed on national trade association platforms National Market information platforms established in member countries. Farmers, ginners and manufactures accessing essential market information e.g. cotton price index.	COMESA/ACTIF/National trade statistical reports. ACTIF Programme Monitoring Reports.						Partners National Trade Associations ACTIF.
53. Conduct a study on risk analysis at farmer and ginnery levels (weather, market, price, currency), and develop the necessary mitigation tools.	Price, Currency, weather and market risk management tools developed and adapted to the local situation. Mitigation tools for risk (weather, market, price and currency) developed and in use. The % of stakeholders trained in risk mitigation.	The regional risk analysis study report. National monitoring reports. ACTIF monitoring reports. National monitoring reports.					↔	ACTIF COMESA Development partners.
54. Establish a price setting mechanism and stabilization fund.	The % of member countries with viable price setting mechanisms and stabilization fund.	COMESA/ACTIF monitoring reports.					↔	National associations Regulatory authorities National governments Development




ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
								partners.
55. Conduct research and develop tools on climatic adaptation and crop insurance.	Research knowledge on climate change and adaptation disseminated widely in member countries. The % of farmers under crop insurance schemes.	Reports of national research stations. Reports of national associations. ACTIF monitoring reports.				↔		National research institutions National associations ACTIF Development partners.
56. Establish price information system e.g. cotton price index to increase transparency.	A regional price information system developed as an integral component of the Market Information System.	ACTIF MIS. National price Information Systems.				↔		National Associations ACTIF.
57. Align national regulations with international trading rules in order to use all available risk management tools.	National trading regulations in harmony with international trading rules. Increase in use of risk management tools. The % of stakeholders in the value chain conversant with international trading rules	COMESA programme reports. The training reports of Regional Cotton School. ACTIF Monitoring Reports.				↔		COMESA, ITC, ACTIF, National associations and Member governments.
58. Conduct a feasibility study on the viability of a regional cotton exchange.	An appraisal report on the viability of a regional cotton exchange developed.	The Appraisal report on a regional cotton exchange.				↔		COMESA ACTIF National Associations Development

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
								partners.
59. Conduct a feasibility study on the establishment of a smoothing fund for the region, incorporating lessons learned from similar funds tested in e.g. Burkina Faso.	Feasibility study completed. Lessons learned from the experience already made in Burkina Faso.	Report by regional or donor organisation						
ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
60. Promote the establishment of savings and credit schemes.	The % of farmers with membership to C & S schemes. The % of farmers obtaining farm credit. The % growth in the level of savings and loans in the S & C schemes.	National monitoring reports. National monitoring reports. Financial records of C & S. Financial records of C & S schemes.				↔		National Associations Farmer associations Ginner associations National governments ACTIF Development partners.
61. Establish collateral schemes acceptable to traditional financiers.	The % increase in farmers accessing credit.	Financial records of C & S schemes.				↔		
62. Train ginners and farmers on risk management.	The % of farmers and ginners trained in risk management. No. of training events	The ACTIF monitoring reports. The training reports of the National Associations.				↔		Farmer Associations National Associations Development Partners


ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	organized and feedback received. No. of risk management initiatives undertaken by farmers/ ginners							(FAO/World Bank & ITC).
63. Develop private sector-led and market driven insurance risk products.	The % of insurance firms providing specialized cover to value chain products. Market driven insurance risk products available.	ACTIF programme reports. Reports of insurance firms in member countries.			↔			ACTIF Private Insurance firms International Development partners.
ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
64. Develop market-based price risk management mechanisms.	Risk analysis conducted in member countries along with value chain. The % of member countries with traditional and market based tools for price risk management.	ACTIF programme reports. ACTIF programme reports.			↔			ITC and ACTIF
65. Promote the development of warehouse receipt systems and improve storage capacity.	The % of countries with a warehouse receipt system. The % of farmers trading through the warehouse receipt system.	ACTIF programme reports. National monitoring reports.			↔			ITC and ACTIF
66. Promote capacity building and training in	1. The % of farmers and ginners trained in futures/options	ACTIF monitoring			↔			

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
futures market hedging.	market hedging. No. of training events organized and feedback received.	reports. National monitoring reports.						ITC and ACTIF
67. Build the capacities of institutions along the value chain to support farmers and ginners in their efforts to introduce more effective risk management.	The % of farmers, ginners and manufacturers undergoing skills upgrading. The % of member countries with established cotton schools.	ACTIF monitoring reports. National monitoring reports.					↔	National Associations COMESA ACTIF
68. Promote training on hedging and use of future trading.	18. The % of national associations and stakeholders trained in future trading and hedging.	18.1 National association reports. 18.2 ACTIF monitoring report.					↔	ITC National Associations ACTIF

	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Result 5 Farm productivity improved and lint production increased	The % increase in yield on smallholder cotton farms in the region.	The COMESA/ACTIF annual reports. The annual reports of Ministries responsible for agriculture in member countries.	
	The % growth in farm incomes resulting from increased cotton production and yield.	The COMESA/ACTIF annual reports. Annual reports from member countries.	
	The % increase of small-scale farmers engaged in commercial cotton farming.	COMESA/ACTIF annual reports.	
	Extension services for cotton farmers revamped and operational in member countries.	National reports of the Ministries of Agriculture. ACTIF Annual report.	
	The % increase in smallholder farmers trained on farmer organization, commercial cotton farming and Good Agricultural Practices (GAP) in member countries.	ACTIF Annual Monitoring report. National reports of Ministries responsible for agriculture.	
	The % increase in the production of seed cotton from smallholder farms.	The COMESA/ACTIF Annual National Reports.	
	The % of farmers and Farmer Association accessing information on research and seed development, and inputs supply.	The ACTIF/National Annual Monitoring reports	
	The Ginning Out turn increased from an average of 40% (Each member country to specify target).	ACTIF Monitoring reports on ginning performance.	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
69. Establish farm credit schemes in member countries.	<p>The % of member countries with viable credit schemes for cotton farmers.</p> <p>The % of smallholder farmers accessing agricultural credit.</p> <p>The % increase in fertilizer and pesticide application by farmers.</p> <p>The % of ginneries participating in a credit scheme for farmers.</p>	<p>COMESA/ACTIF monitoring reports.</p> <p>ACTIF Annual Monitoring reports.</p> <p>National Agricultural Monitoring reports.</p> <p>National Agricultural Monitoring reports.</p>					<p>National Association</p> <p>Member governments</p> <p>Development Partners</p> <p>Farmer and ginner associations.</p>	
70. Enhance agricultural extension services.	<p>The % of farmers reached by national agricultural extension services.</p> <p>The % of small-scale farmers following GAP and IPM practices..</p> <p>The % increase in farmers’ productivity.</p>	<p>National agricultural monitoring reports.</p> <p>National agricultural monitoring reports.</p> <p>National and ACTIF monitoring reports.</p>					<p>National governments</p> <p>National associations</p> <p>Regulatory authorities</p> <p>Development partners.</p>	
71. Educate farmers on quality assurance.	<p>The % of farmers attending training on quality assurance.</p> <p>No. of training events organized and feedback received.</p>	<p>National monitoring reports.</p> <p>ACTIF monitoring reports</p>					<p>National associations</p> <p>Development partners.</p>	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	The % reduction in contamination in seed cotton.							
72. Enhance farmer education through FFS.	<div>The % of member countries with Farmer Field Schools (FFS).</div> <div>The % of farmers attending FFS.</div> <div>The % of farmers with managerial skills and who practice commercial farming.</div> <div>No. of FFSs established and operational.</div>	<div>ACTIF monitoring reports.</div> <div>National monitoring reports.</div> <div>National monitoring reports.</div>		<div>↔</div>			<div>National Associations</div> <div>ACTIF</div> <div>Farmers Associations</div> <div>Development Partners.</div>	
73. Enhance research and introduce new seed varieties (higher yield varieties, drought/ pest tolerant, etc.).	<div>The % of countries with new seed varieties.</div> <div>No. of research institutions operational and supported.</div>	<div>National monitoring reports.</div>			<div>↔</div>		<div>National research stations.</div> <div>Development partners.</div>	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
74. Establish seed certification and quality control systems.	<p>The % increase in the number of farmers with access to certified seeds.</p> <p>The % of national research stations with seed multiplication and bulking programmes.</p>	<p>National monitoring reports.</p> <p>National and ACTIF monitoring reports.</p>						<p>National Research Agencies</p> <p>Private sector</p> <p>National Associations.</p>

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
75. Facilitate exchange between research institutions at regional and global level	Number of research exchanges	National & regional research reports						National/regional research institutes
76. Encourage inter-country visits to share best practices and research findings within EAS and with other cotton producing countries.	The % of smallholder farmers with improved knowledge in GAP and IPM.	National monitoring reports. ACTIF monitoring reports.		↔				National Associations ACTIF
77. Establish technology up-gradation funds that can be utilized by cotton research institutes.	The % of countries with technology up-gradation funds (TUF). The % growth in the level of funds earmarked for technology up-gradation in member countries. % utilization of the fund by research institutes.	Financial records of the TUF. Financial records of TUF. ACTIF programme reports.				↔		Private Sector (Banks) National Governments.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
78. Promote the adoption of organic, fair-trade and BT cotton where applicable.	The % of countries with programmes on promotion of BT cotton.	ACTIF programme reports. National Association reports.				↔		COMESA, EAC and SADC
79. Improve research on a) seed development, and b) seed multiplication.	National & regional research institutes operating and deliver	National/regional research reports						Nat./reg. research

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	results New seeds developed and successfully multiplied	Feedback received from farmers and ginners Reports of national/regional research institutes.						institutes
80. Research and test the feasibility of introducing BT cotton in the region	Progress made on BT cotton seeds	National & regional research reports						Nat./reg. research institutes
81. Study the introduction of conservation farming in the region	Framework for conservation farming established	National/regional reports by authorities						Nat./reg. research institutes

	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Result 6 High fibre quality ensured.	The % growth in farm incomes resulting from increased cotton quality.	The COMESA/ACTIF annual reports. Annual reports from member countries.	
	Testing, accreditation and quality agencies established in the region.	COMESA Annual report.	
	A Quality seed production and bulking programme established on regional/country levels.	COMESA/ACTIF annual reports. Reports of National Agricultural Research Stations in member countries.	

	Extension services for cotton farmers revamped in member countries.	National reports of the Ministries of Agriculture. ACTIF Annual report.	
	The % increase of smallholder farmers trained on farmer organization, commercial cotton farming and Good Agricultural Practices (GAP) in member countries.	ACTIF Annual Monitoring report. National reports of Ministries responsible for agriculture.	
	The % of member countries with viable credit schemes that support cotton farming.	The COMESA/ACTIF Annual reports on the cotton sector.	
	The % of smallholder farmers accessing credit.	The National Annual Reports of the Ministries responsible for cotton. The ACTIF Annual Monitoring reports.	
	The % increase in application of essential inputs such as fertilizers and pesticides by smallholder cotton farmers.	The National Extension Reports. The ACTIF Information System.	
	The % increase in the production of quality seed cotton from smallholder farms.	The COMESA/ACTIF Annual National Reports.	
	The % of farmers and Farmer Association accessing information on research and seed development, and inputs supply.	The ACTIF/National Annual Monitoring reports	
	An HVI classing system (cotton grading) established in the region.	COMESA Annual report.	
	The Ginning Out turn increased from an average of 40% (Each member country to specify target).	ACTIF Monitoring reports on ginning performance.	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
82. Establish farm credit schemes in member countries.	<p>The % of member countries with viable credit schemes for cotton farmers.</p> <p>The % of smallholder farmers accessing agricultural credit.</p> <p>The % increase in fertilizer and pesticide application by farmers.</p> <p>The % of ginneries participating in a credit scheme for farmers.</p>	<p>COMESA/ACTIF monitoring reports.</p> <p>ACTIF Annual Monitoring reports.</p> <p>National Agricultural Monitoring reports.</p> <p>National Agricultural Monitoring reports.</p>			↔			<p>National Association</p> <p>Member governments</p> <p>Development Partners</p> <p>Farmer and ginner associations.</p>
83. Enhance co-operation with ICAC to standardize laboratories.	<p>The % of member countries with mechanisms for testing quality in cotton.</p> <p>The % growth in the number of quality agencies in the region (HVI).</p>	<p>ACTIF Monitoring Reports.</p> <p>ACTIF Monitoring Reports.</p>			↔			
84. Establish cotton quality assurance mechanisms.	<p>The % of farmers educated on quality assurance.</p> <p>The % increase in farmers earning a premium price for their cotton.</p> <p>The % of farmers with GAP including integrated pest management, good harvesting farm, storage, grading, transportation and pre-ginning selection quality control.</p>	<p>National monitoring reports.</p> <p>National monitoring reports.</p> <p>National monitoring reports.</p>		↔				<p>National association</p> <p>Regulatory authorities</p> <p>Development partners.</p>
85. Enhance farmer education	The % of member countries with Farmer Field Schools	ACTIF monitoring						National



ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
on FFS, GAP, IPM conservation farming .	(FFS). The % of farmers attending FFS. The % of farmers with managerial skills and who practice commercial farming. No. of FFSs established No. of training events on FFSs/ GAPO/ IPM	reports. National monitoring reports. National monitoring reports.						Associations ACTIF Farmers Associations Development Partners.
86. Promote common regional registration of seeds.	The % of farmers growing improved seed varieties. The % of countries who are members of a common regional seed registration service. Regional seed registration schemes developed and in operation	National monitoring reports. National monitoring reports.		↔				National Associations Governments of member countries Regulatory authorities.
87. Re-launch effective cotton research in the region	Number of cotton research projects established Number of research institutes operational	National and regional reports						
88. Conduct research and introduce new appropriate and adapted seed varieties.	The % of countries with new seed varieties. The % increase in yields.	National monitoring reports. ACTIF monitoring reports Reports of national/			↔			National research stations. Development partners.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
		regional research institutes						
89. Develop a certification system for compliance with established quality standards.	An effective certification system that governs trade in cotton established and operational. The % of countries with a certification system.	ACTIF monitoring reports. ACTIF monitoring reports.			↔			National Associations ACTIF.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
90. Establish seed bulking, certification and quality control systems.	The % increase in the number of farmers with access to certified seeds. The % of national research stations with seed multiplication and bulking programmes.	National monitoring reports. National and ACTIF monitoring reports.				↔		National Research Agencies Private sector National Associations.
91. Encourage south-south cooperation and inter-country visits to share best practices and research findings.	No. of ss-cooperation activities implemented No. of research exchange visits organised	National monitoring reports. ACTIF monitoring reports.		↔				National Associations ACTIF
92. Facilitate the exchange between cotton research institutions at regional	Number of exchanges and visits facilitated	National and regional reports						

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
and global level								
93. Gather information on new sources of inputs supply.	A regional compendium on suppliers of inputs established. No. Of new sourcing markets explored.	ACTIF MIS.		↔				National Extension Services ACTIF
94. Promote investments in regional supply of inputs.	The % of new inputs suppliers entering the market in the region. The % reduction in inputs costs. The % increase in inputs application at the farmer level.	ACTIF MIS. National monitoring reports. National monitoring reports. ACTIF monitoring reports.			↔			National Associations Private Sector Member governments ACTIF Development partners.
95. Establish technology up-gradation funds to be used by national/ regional research institutes	The % of countries with technology up-gradation funds (TUF). The % growth in the level of funds earmarked for research in member countries.	Financial records of the TUF. Financial records of TUF. ACTIF programme reports.			↔			Private Sector (Banks) National Governments.
96. Standardize regional registrations	The % of member countries with	Official trade statistics of member						Individual

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
and recommendations of imported inputs.	standardized registration on imported inputs. The regional mechanisms for the importation of inputs standardized.	countries. Documents on regional guidelines on the standards and quality of imported inputs.			↔			countries. ACTIF COMESA
ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
97. Develop national/regional regulations for the introduction of BT cotton and tests its suitability at national and regional level.	National/ regional regulations developed. Field test made. The % of countries with programmes on promotion of BT cotton.	ACTIF programme reports. National Association reports.					↔	COMESA, EAC and SADC
98. Establish a framework for the research and possible introduction on BT cotton	A regulatory framework established and approved by stakeholders	Report by authorities and legal framework in place						
99. Foster south-south cooperation on BT cotton introduction	Number of south-south cooperation activities undertaken within Africa (i.e. South Africa and Burkina Faso) and outside Africa	National and regional reports by authorities and research institutions						
100. Enact policy to promote the use of HVI	The % of member countries with a standardized HVI of cotton	National monitoring reports.					↔	Individual countries

ACTIVITIES		OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
classing in the region to grade/ certify quality lint.	grading system. Increase of bales that are HVI tested and classified. The % increase in the quality of lint.	National monitoring reports. ACTIF monitoring reports.							ACTIF Development Partners.
101. Promote investment in HVI classing equipments and facilities.	The % increase of HVI classing facilities at national and regional.	ACTIF monitoring reports. Country monitoring reports.					↔		Individual countries ACTIF Development Partners

	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Result 7 Cotton trading and marketing capabilities to capture possible higher prices increased	A regional legal framework for the governance of the cotton industry established.	The regional legal framework document.	
	Policy review to remove constraints to regional trade in the value chain conducted.	COMESA/EAC/SADC/ACP reports	Policy review to remove constraints to regional trade in the value chain conducted.
	A market information system (MIS) showing market trends and new technologies (fair trade, organic cotton production) established and used by ginners in member countries.	ACTIF annual report.	A market information system (MIS) showing market trends and new technologies (fair trade, organic cotton production) established and used by ginners in member countries.
	The % of ginneries with capacity to process cotton by-products.	National records. ACTIF annual report.	The % of ginneries with capacity to process cotton by-products.
	ESA cotton recognised in major destination markets	Export statistics – import statistics of consuming countries Textile associations in consuming market reports	World textile/yarn demand picks up again and cotton demand and import is increasing. Nat./reg. Players cooperate strongly to develop a nat./re. brand
	Negotiation position of ginners vis-à-vis int. traders and spinning mills improved and higher prices achieved.	Records of ginners, national ginner association reports	Ginners willing to act jointly and to implement crucial aspect that will allow, in the medium to longer term, to achieve higher prices.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
102. Establish a programme for sharing Best Practices on cotton trading and marketing in the region, including through south-south cooperation.	<p>A regional platform for information exchange established and functional.</p> <p>No. of south-south cooperation activities and exchange visits organised</p> <p>A regional cooperation programme operational.</p> <p>The % growth in technical collaboration initiatives/ programmes in South-to-South cooperation.</p>	<p>ACTIF/COMESA programme reports.</p> <p>COMESA/SADC/EAC/ACP reports.</p>		↔				<p>ACTIF</p> <p>National associations</p> <p>National governments.</p>
103. Enhance co-operation with ICAC to standardize laboratories as a means to better market African (ESA) cotton	<p>The % of member countries with mechanisms for testing quality in cotton.</p> <p>The % growth in the number of quality agencies in the region (HVI).</p>	<p>ACTIF Monitoring Reports.</p> <p>ACTIF Monitoring Reports.</p>				↔		
104. Promote investment in HVI classing equipments and facilities.	The % increase in inter-region and inter-country classing facilities.	<p>ACTIF monitoring reports.</p> <p>Country monitoring reports.</p>					↔	<p>Individual countries</p> <p>ACTIF</p> <p>Development Partners</p>

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
105. Enact policy to promote the use of HVI classing in the region to better market ESA cotton.	The % of member countries with a standardized HVI of cotton grading system. The % increase in the quality of lint.	National monitoring reports. National monitoring reports. ACTIF monitoring reports.					↔	Individual countries ACTIF Development Partners.
106. Develop a market information system and provide information and market intelligence to farmers and ginners through their respective associations, including on niche markets and organic and fair trade cotton certification.	The % of farmers accessing information on niche markets. The % of countries with platforms for information on niche markets. Increase of information provided. A regional market information system established with sufficient provision for national platforms.	National monitoring reports. National and ACTIF monitoring reports. National monitoring reports. ACTIF MIS. National Market Information Systems.				↔		ACTIF National Associations International Development Partners.
107. Organize business and farm visits between farmers/ ginners and spinners/textile mills (within Africa and in market destinations).	No. of farm visits organised. No. of lessons learned, disseminated and put into operation.	National monitoring reports. ACTIF monitoring reports.				↔		National and regional associations.
108. Increase understanding of destination markets and clients requirements.	The % of stakeholders along the value chain trained in client/market requirements. No. of direct interactions with cotton consumers.	ACTIF programme reports. National monitoring reports.				↔		National associations ITC ACTIF

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	No. of market studies undertaken.							
109. Provide actors in the value chain with information on destination markets and on clients requirements.	The % of farmers, ginners, spinners and manufacturers with up-to date information on market and client requirements of their product.	ACTIF Monitoring Reports.		↔				ACTIF Development Partners.
110. Provide actors in the value chain with information and training on international cotton trading rules and incoterms.	The % of actors in the value chain conversant with international cotton trading rules and incoterms. No. of training events organised and feedback received. Close collaboration with ICA developed.	ACTIF Monitoring Reports.			↔			National Associations Development Partners Regional Cotton School.
111. Develop synergies with cotton promotion organizations.	The % growth in value and volume of African cotton traded. No. of cotton promotion activities undertaken in Africa to boost cotton consumption at consumer level.	ACTIF monitoring reports. National Association reports.				↔		Farmer Associations ACTIF National Associations
112. Promote African cotton in destination markets.	The % growth in value and volume of cotton traded. No. of trade promotion activities undertaken in destination markets, incl. with spinning mills and import	ACTIF monitoring reports. Monitoring reports of National Associations.				↔		Farmer Associations ACTIF National

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	<p>promotion agencies.</p> <p>No. of awareness campaigns on the advantages of ESA cotton made in destination markets</p> <p>No. of buyer visits to ESA organised.</p>							Associations.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
113. Identify market opportunities for cotton by-products.	The % growth in sales of cotton by-products.	National monitoring reports.			↔			National governments Private Sector.
114. Conduct marketing and promotion campaigns for cotton by-products.	The % increase in sales of cotton by-products.	National monitoring reports.			↔			Private Sector.
115. Set up regional training institutions for key critical areas in cotton value chain, incl. training in cotton trading and marketing.	<p>The % growth in the number of stakeholders trained in regional training institutions.</p> <p>The proposed cotton school in Kenya and the Busetieina University in Uganda implementing curricular in key critical areas of the cotton value chain.</p>	<p>ACTIF programme reports.</p> <p>Records of regional training institutions.</p> <p>The Training Reports of the Cotton School and Busetieina University Uganda.</p>					↔	National governments COMESA. The Cotton School in Kenya Busetieina and University,

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
								Uganda

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
116. Develop a regional regulatory/arbitration scheme for regional trade of cotton.	A regulatory and arbitration scheme complying with international standards established.	COMESA monitoring reports.				↔		COMESA, EAC, SADC and ITC
117. Conduct a situation and impact analysis of liberalization.	Gaps and impacts of liberalization on the supply chain established.	ACTIF MIS.			↔			COMESA, EAC and SADC
118. Share best practices and lessons learnt on cotton sector liberalisation across the region.	Best practices following liberalization posted on the regional management information system.	SADC/EAC/COMESA/ACTIF programme reports.					↔	COMESA, EAC, SADC and the Private Sector
119. Pursue the adoption of policies to promote a regional value chain that links the entire ESA region (harmonization of tariffs on lint, yarn, fabric and apparel).	<p>A joint COMESA, EAC and SADC regional cotton and textile industrial policy developed.</p> <p>Tariffs on lint, yarn, fabric and apparel in the region harmonized and free intra-regional trade allowed.</p> <p>Duty on intra-regionally traded lint, yarn, fabric and apparel is zero rated.</p> <p>COMESA, EAC and SADC have a</p>	<p>COMESA, EAC and SADC tariff documents.</p> <p>Trade regime reports of member countries.</p> <p>COMESA, EAC and SADC documents on tariffs.</p> <p>COMESA, EAC and SADC documents on tariffs.</p>		↔				COMESA, EAC, and SADC Private Sector

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	common external tariff.							
120. Promote ESA organic, fair-trade and non-contaminated cotton in destination markets.	No. of marketing/ promotion activities undertaken, incl. market studies, visits to spinning mills, close collaboration activities with int. merchants.	ACTIF programme reports. National/reg. Association reports.				↔		COMESA, EAC and SADC
121. Promote education and capacity building in futures market hedging.	The % of farmers and ginners trained in futures/options market hedging.	ACTIF monitoring reports. National monitoring reports.			↔			ITC and ACTIF
122. Build the capacities of institutions along the value chain to provide training on cotton trading, marketing and risk management.	The % of farmers, ginners and manufacturers undergoing skills upgrading. The % of member countries with established cotton schools. No. Of training institutes strengthened by training of trainers and training material developed. Cotton school at regional level established.	ACTIF monitoring reports. National monitoring reports.			↔			National Associations COMESA ACTIF ITC
123. Align national regulations with international trading rules.	The % of stakeholders in the value chain conversant with international trading rules. Close collaboration with ICA	The training reports of Regional Cotton School. ACTIF Monitoring Reports.				↔		ACTIF Development Partners

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	developed.							Regional Cotton School.
124. Create an authentic Africa label/brand.	<p>African cotton label created and sustained</p> <p>The % of cotton/clothing products traded under the African Brand.</p> <p>The % increase in the value of African cotton and clothing products traded.</p>	<p>The ACTIF Monitoring Reports.</p> <p>The ACTIF monitoring reports.</p>					<p>↔</p>	<p>ACTIF</p> <p>Development Partners.</p>
125. Create policy platforms to enhance the roles of private sector associations in negotiations.	The % increase in private sector participation in policy development forums.	<p>The National Association Monitoring Reports.</p> <p>ACTIF Monitoring Reports.</p>					<p>↔</p>	<p>National Associations</p> <p>ACTIF</p>

	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Result 8	A regional legal framework for the governance of the cotton industry established.	The regional legal framework document.	
An efficient institutional infrastructure that serves its members ensured	Farmers, ginnerers, and local merchant associations able to support its members with information, intelligence, training, consultancy services and trade policy advocacy support	Associations annual report Feedback and surveys from members	
	A regional network of farmers, ginnerers and local merchants established	Network operational and all players willing to cooperate.	
	Institutions/associations able to identify the needs for technical expertise and resources in the region and to address these..	Gaps in technical expertise along the value chain identified. Documented in reports on gap analysis of the technical requirements of the value chain.	
	The capacities of the regional private sector structures such as ACTIF, ACA, etc. strengthened so that ACTIF, ACA and other private sector regional private sector structures effectively offer services to value chain stakeholders.	ACTIF Monitoring Reports. COMESA Monitoring Reports.	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
126. Establish strong associations with code of conduct/self regulation	Codes of conduct developed and accepted and adopted by all members.	National agricultural monitoring reports.						National association, member governments and development

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	The % of national associations with established codes of conduct and practicing self-regulation. Stakeholder dialogue initiated and moderated by associations	ACTIF monitoring reports.				↔		partners.
127. Strengthen regional and national farmers associations and promote exchange visits to share GAP and IPM experience.	The % of farmers actively belonging to Farmer Associations. The % of farmers engaged in commercial cotton farming. No. of exchange visits organised.	National monitoring reports. ACTIF monitoring reports.				↔		National Associations ACTIF Regulatory authorities
128. Establish a programme for sharing Best Practices of associations in the region.	A regional platform for information exchange established and functional.	ACTIF/COMESA programme reports.		↔				ACTIF National associations National governments.
129. Build capacities of farmer associations in institutional governance and management.	The % of farmer associations practicing proper Governance Code. The % of farmer associations with improved management systems and practices.	ACTIF monitoring reports. ACTIF monitoring reports.				↔		National Associations ACTIF Development partners.
130. Build the capacities of farmer/ ginner associations to gather, manage and	Capacity of associations established/ strengthened	ACTIF monitoring reports.	Nat./ re. Associations have the mandate,	↔				National Association

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
disseminate trade and market information and requirements as well as critical aspects of the value chain.	<p>A regional trade and market information system/platform for farmers and ginners established in member countries.</p> <p>The % of farmers and ginners accessing trade information.</p> <p>The % of farmers, ginners and manufacturers undergoing skills upgrading.</p> <p>The % of member countries with established cotton schools.</p>	National monitoring reports.	acceptance and willingness.					ACTIF Development Partners
131. Develop synergies with cotton promotion organizations.	<p>Institutional linkages developed</p> <p>Regional cotton promotion activities at end-consumer level initiated in ESA region</p>	<p>ACTIF monitoring reports.</p> <p>National Association reports.</p>				↔		Farmer Associations ACTIF National Associations

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
132. Strengthen associations and TSIs to promote investments in regional supply of inputs.	<p>The % of new inputs suppliers entering the market in the region.</p> <p>No. of training activities organised</p>	<p>ACTIF MIS.</p> <p>National monitoring reports.</p> <p>National monitoring reports.</p>		↔				National Associations Private Sector Member governments

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	No. of new investments initiated by TSIs	ACTIF monitoring reports.						ACTIF Development partners.
133. Assist associations and TSIs in promoting the development of out-growers schemes.	The % of countries with viable out-growers schemes. The % of farmers belonging to out-growers schemes.	National monitoring reports. National monitoring reports.			↔			National Associations Development Agencies
134. Set up regional training institutions for key training critical areas of cotton value chain.	The % growth in the number of stakeholders trained in regional training institutions. A proposed cotton school in Kenya and the Busetieina University in Uganda implementing curricular in key critical areas in the cotton value chain.	ACTIF programme reports. Records of regional training institutions. The Training Reports of the Cotton School and Busetieina University Uganda. ACTIF Monitoring Reports				↔		National governments COMESA The Cotton School in Kenya & Busetieina University, Uganda.
135. Strengthen regional institutions to identify the needs for technical expertise and	Gaps in technical expertise along the value chain identified.	Report on gap analysis of the technical requirements of the value chain.				↔		National Associations/ACTIF.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
resources in the region and to address the gaps accordingly.	A regional institution identified and strengthened through capacity building							

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
136. Develop a regional regulatory/arbitration scheme to be used by TSIs	A regulatory and arbitration scheme complying with international standards established.	COMESA monitoring reports.					↔	COMESA, EAC, SADC and ITC
137. TSIs to share best practices and lessons learnt in institutional management across the region.	Best practices following liberalization posted on a to be established regional management information system.	SADC/EAC/COMESA/ACTIF programme reports.					↔	COMESA, EAC, SADC and the Private Sector
138. Strengthen TSIs to pursue the adoption of policies to promote regional value chain that links the entire ESA region (harmonization of tariffs on lint, yarn, fabric and apparel).	Trade policy advocacy capacities of TSIs strengthened through counselling and sharing of best practices in the region.	COMESA, EAC and SADC tariff documents. Trade regime reports of member countries. COMESA, EAC and SADC documents on tariffs.					↔	COMESA, EAC, and SADC Private Sector

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
139. TSIs/associations strengthened to train ginners and farmers associations on risk management.	<p>The % of farmers and ginners trained in risk management.</p> <p>No. of training events organised by TSIs</p> <p>No. of promotion activities undertaken by TSIs.</p>	<p>National Monitoring Reports.</p> <p>ACTIF Monitoring Reports.</p>			↔			<p>National Associations.</p> <p>Development Partners.</p>
140. Strengthen TSIs to create an authentic Africa label/brand.	<p>The % of cotton/clothing products traded under the African Brand.</p>	<p>The ACTIF Monitoring Reports.</p> <p>The ACTIF monitoring reports.</p>					↔	<p>ACTIF</p> <p>Development Partners.</p>
141. Strengthen the capacities of the regional private sector structures such as ACTIF, ACA etc.	<p>ACTIF, ACA and other private sector regional private sector structures effectively offering services to value chain stakeholders.</p> <p>Positive feedback from value chain stakeholders received</p>	<p>ACTIF Monitoring Reports.</p> <p>COMESA Monitoring Reports.</p>			↔			<p>Development Partners.</p> <p>COMESA.</p>
142. Promote learning between TSIs through South-to-South Cooperation.	<p>The % growth in technical collaboration initiatives/programmes in South-to-South cooperation.</p> <p>% growth of south-south cooperation activities undertaken</p>	<p>ACTIF Monitoring Reports.</p>	<p>Member countries are willing to support South-to-South collaborative arrangements.</p>	↔				<p>Member countries</p> <p>COMESA</p> <p>ACTIF</p>

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	No. of TSIs/associations participating in south-south cooperation.							Development Partners.

The Textile Sector Logical Framework Matrix

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Result 1 Manufacturing processing efficiency increased	The % reduction in the cost within the textile value chain. The % of countries implementing spinning technology up-gradation programmes in the region. The % increase in utilization of spinning and weaving capacities in the region.	ACTIF/COMESA MIS. The National monitoring reports. COMESA/ACTIF MIS, and Annual Monitoring Reports. ACTIF/COMESA MIS National reports on ginning performance.	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
1. Benchmark textile manufacturing processes against best global practices	The % of branded textile products with international standardization mark.	Member country monitoring reports.				↔		ACTIF, Member countries.
2. Support cluster development along the value chain to enhance	The % of member countries with clusters along the value chain.	National monitoring reports.					↔	Private Sector/ACTIF International

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
specialization, segmented skills development.								Development Partners.
3. Improve the quality of products and manufacturing process	The number of manufacturing units that are ISO certified	National Associations member reports						National Associations
4. Promote the sharing of available training opportunities to spur regional skills development	The % of member countries using existing training facilities in the region.	ACTIF MIS Institutional records on attendance.			↔			Member Associations Training institutions in the region.
5. Promote the technology up-gradation initiatives in the textile manufacturing process	The number of technology promotion workshops mounted	M & E records of ACTIF & National Associations						ACTIF, National Associations

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
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NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Result 2 Product development and diversification enhanced	<p>The number of training institutions offering product design and development programs exposed to the regional skills demand</p> <p>National and regional level product design and developments workshops increased by 25% and meets national and regional skill needs</p> <p>Product diversification promotion and capacity building activities and workshops increased by 30% by year 3</p>	M& E repots	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
6. Improve human resource technical capability training at shop floor level	<p>The %technical training institutions offering training to manufacturing units.</p> <p>The % of professional staff at firm level trained</p>	<p>Firm reports and records in member countries.</p> <p>Firm reports and records in member countries.</p>			↔			Private Sector International Development Partners ACTIF.
7. Encourage product diversification (e.g technical textiles, home textiles, medical textiles, Non-woven, narrow	The % growth in products developed in the region.	COMESA/ACTIF MIS.					↔	1. Private Sector.

fabrics).								
8. Promote investment in textile research at regional , national and firm level	The number of textile research investments promotion workshops mounted	National Associations and ACTIF investments workshops						

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Result 3 Market access and promotion of African textile products to increase trade Expanded	<p>The % growth in market share of textiles on the regional and world market.</p> <p>The % growth in new textile products for the market.</p> <p>The % increase in textiles destined for niche markets (e.g. organic and fair trade cotton).</p> <p>Uniform standards under COMESA established.</p>	<p>COMESA/ACTIF MIS and reports.</p> <p>ACTIF MIS.</p> <p>COMESA and ACTIF MIS.</p> <p>COMESA programme reports.</p>	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
9. Create an authentic African label/brand.	<p>African cotton products marketed under a distinct brand (e.g Buy Africa Build Africa – BABA).</p> <p>The % of member countries who are members of the Cotton Made in Africa initiative.</p>	<p>COMESA/ACTIF programme reports.</p> <p>Reports of member country monitoring systems.</p>				↔		<p>1. ACTIF</p> <p>2. ITC</p> <p>3. Member countries</p> <p>4. National Associations.</p>
10. Promote African textile in destination markets.	The % increase in the volume and value of African cotton traveled in destination markets.	ACTIF MIS.			↔			ITC, ACTIF, Member countries.

	The % growth in new markets.	ACTIF MIS.						
11. Increase understanding of destination markets and clients requirements.	The % growth in value of products traded in new and traditional markets.	The ACTIF Monitoring reports.				↔		1. National Associations 2. ACTIF 3. COMESA
12. Deepen intra-regional trade and integration.	The % of industries in member countries with intra-regional linkages increased.	6. ACTIF monitoring reports.					↔	1. Member countries Private Sector.
13. Promote joint participation in trade fairs.	The % growth in sales recorded through joint participation.	ACTIF MIS.			↔			ACTIF, National Associations
14. Organize regional trade fairs and invite potential suppliers.	The % in products supplied.	ACTIF MIS.		↔				ACTIF
15. Develop new markets.	The % expansion in market share.	COMESA/ACTIF trade statistics.			↔			ACTIF, ITC National Associations COMESA

The Clothing Sector Logical Framework Matrix

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
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NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Result #1: Manufacturing efficiency and product diversification skills improved	The % of manufacturers of clothing in member countries with sufficient government support and commitment.	National Sectoral Reports. COMESA/ACTIF reports.	
	The % reduction in utility costs in the clothing sub-sector.	Industry reports on clothing manufacture. COMESA/ACTIF monitoring reports.	
	Improvements in infrastructure and logistics effected.	National monitoring reports. COMESA reports.	
	The % of labour undertaking skills up-gradation programmes.	ACTIF training reports. National industry training reports.	
	Innovation in product design and development.	ACTIF reports on market research. Industry reports. ACTIF monitoring reports.	
	The % of professionals in the value chain with technical training in operations and management.	Industry reports. ACTIF monitoring reports.	
	Centres of excellence in design established in the region.	COMESA/ACTIF programme report.	
	The % of clothing manufacturers with quality assurance programmes.	National Industry reports.	

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	Forward and backward linkages in the value chain achieved.	ACTIF monitoring reports. Industry reports.	
	The % reduction in interest rate on investment funds.	National industry reports. Bank reports in member countries.	
	Clustering initiatives available in the regional supply chain.	COMESA industry reports.	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
1. Reduce the cost of doing business in the value chain.	The costs of transport, power and labour reduced by at least 20%.	Business records of manufacturing entities.		↔				Private Sector Member governments.
2. Establish a regional skill-based training centre under the auspices of COMESA.	The % growth in number of artisans attending skills up-grading programmes at the Athi River training centre.	Institutional records.				↔		Private Sector Athi River Centre.
3. Encourage private sector to create joint shop floor training centres.	The % of firms in joint shop floor training arrangement.	ACTIF MIS.		↔				National Associations
4. Develop specialized on-the-job training.	The % of employees trained on through specialized on-the-job programmes.	National programme reports.				↔		Governments COMESA
5. Benchmark against the	The % products benchmarking	ACTIF/COMESA trade reports.				↔		National Associations

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
world's best in manufacturing	world standards.							
6. Provide incentives for training and transfer of skills across the region.	The % growth in the number of value chain employees seeking training.	ACTIF MIS.				↔		Governments Private Sector.
7. Organize micro and small apparel manufacturers into small groups to link the supply chain.	The % increase in micro-small businesses with linkages to the supply chain.	The ACTIF MIS.				↔		Governments National Associations.

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Result # 2: Market information system developed and African Garments promoted	Market information on the variety and availability of raw materials (fabrics, trims, accessories etc.) available in the region.	ACTIF MIS.	
	Local and regional brands and designs promoted.	National industry reports . ACTIF MIS.	
	The % new markets developed out of AGOA.	COMESA trade reports.	
	The % increase in organic and fair trade clothing for production of niche products.	National Monitoring Reports. COMESA/ACTIF.	
	The % growth in the number of buyers.	COMESA and ACTIF Trade Statistics.	
	The % growth in the number of suppliers from the region nominated by buyers on the world market.	COMESA/ACTIF trade statistics. National MIS.	
	Information on product and market trends available on the regional MIS.	ACTIF/COMESA MIS.	
	Regional trade fairs on export promotion mounted.	COMESA trade reports.	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
8. Audit and compile country data and information on idle capacity.	The current capacity levels in the chain determined. Existing capacity gaps in the	ACTIF MIS. ACTIF MIS.					↔	Private Sector ACTIF

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	value chain established.							International Development Partners.
9. Collect data on the number of clothing factories per country and of utilization.	The % of capacity in the region established.	ACTIF MIS.			↔			Private Sector ACTIF
10. Create an authentic African label brand.	The % of manufacturers trading under an authentic African label brand.	ACTIF monitoring report.					↔	ACTIF National Associations.
11. Work with governments/COMESA to organize industry specific meet-the-buyer event.	The % growth in volume of products traded.	COMESA and ACTIF trade statistics.				↔		ITC Member Associations Private Sector.
12. Show case Africa through initiatives like road-shows at major textile and clothing events.	The % growth in sales of branded African products.	COMESA and ACTIF trade statistics.					↔	ITC Member Associations Private Sector.
13. Mount regional workshops on market profiles targeting specific markets.	The % growth in volume and value of cotton traded.	ACTIF MIS.			↔			ACTIF, Cotton Africa.
14. Provide training on clustering of SMEs involved in the value chain as is the case in Uganda.	The % of national associations trained.	ACTIF MIS.				↔		National Associations ACTIF Development Partners.
15. Promote product	The % growth in the number of	COMESA trade statistics.					↔	Private Sector.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
diversification.	products emanating from the region.							
16. Encourage and expose local/ethnic designs a higher margin.	The % growth in sales of local designs.	ACTIF MIS.				↔		ACTIF
17. Organize specialist training in customer service/merchandizing.	The % of value chain personnel with skills in customer service/merchandising.	Records of Training institutions.		↔				ACTIF
18. Encourage regional supply chain and specialization in small volume high quality niche market.	The % growth in sales to niche markets.	ACTIF MIS.			↔			ACTIF
19. Promote exchange programmes, networking and regional market promotion events.	The % growth in sales.	ACTIF MIS.				↔		ACTIF
20. Create and share database of regional fabric and accessories manufacturers.	The % of national associations sharing market information on fabrics, trims, accessories etc.	ACTIF MIS.		↔				ACTIF and National Associations.
21. Promote joint participation in trade fairs.	The % growth in sales recorded through joint participation.	ACTIF MIS.			↔			ACTIF, National Associations
22. Organize regional trade fairs and invite potential suppliers.	The % in products supplied.	ACTIF MIS.		↔				ACTIF
23. Organize micro and small apparel manufacturers into small groups to link to the supply chain.	The % increase in micro-small businesses with linkages to the supply chain.	The ACTIF MIS.				↔		Governments National Associations.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
24. Organize match-making events to link demand and supply for products.	The % of suppliers linked to manufacturers. The % growth in volume of trade.	ACTIF MIS. ACTIF MIS.		↔				1. ACTIF 2. COMESA 3. ITC.
25. Create regional design capacity building centres.	The % increase in designs and products. The % growth in sales from the region.	National monitoring reports. ACTIF MIS.					↔	1. ACTIF 2. COMESA
26. Promote the region as a major source of organic clothing.	The % growth in the volume of organic textiles traded on the world market.	COMESA trade statistics.				↔		1. ACTIF 2. National Association
27. Invest in product development, design and innovation.	The % growth in new products.	ACTIF MIS.				↔		1. ACTIF 2. ITC 3. CBI
28. Develop new markets.	The % expansion in market share.	COMESA/ACTIF trade statistics.			↔			1. ACTIF 2. National Associations 3. COMESA 4. ITC
29. Encourage regional supply chain and specialization in small volume high quality niche market.	The % growth in sales to niche markets.	ACTIF MIS.			↔			ACTIF

Cross Cutting Textile and Clothing Issues: Logical Framework Matrix

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Result # 1: Institutional frameowk for the implementation of the strategy established	The Capacity of ACTIF secretariat strengthened	<p>Established office, management/technical personnel and support infrastructure system.</p> <p>Contracts established with specialized technical services providers.</p> <p>Representation done on behalf of the industry in National, regional and international for a</p> <p>Records of annual work plan activities implemented.</p>	
	Formal Linkage with regional Economic Communities established/strengthened	<p>Records of implementation COMESA ACTIF MOU</p> <p>Signed M.O.U with East African Community</p> <p>Signed MOU with SADC</p>	
	Linkage with National Associations strengthened.	<p>Records of National Association subscriptions as members of ACTIF</p> <p>Records of ACTIF board, committee, and AGM</p> <p>Records of joint meetings/activities.</p>	
	The % growth in number of new trade agreements by member countries beyond AGOA and EU.	<p>National Trade Agreement documents.</p> <p>COMESA/ACTIF MIS.</p>	
	Enactment of Rules of Origin conducive to trade in textiles and clothing products.	COMESA rules of origin document.	

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
	Lobby to make NAMA WTO Swiss Formula conducive to the region.	Revised NAMA WTO Swiss Formula document.	
	Level playing field in global textile Trade promoted.	COMESA Trade Statistics.	
	The % of national associations undergoing capacity building programmes.	The National industry reports. ACTIF monitoring reports.	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
Secure adequate funding to finance operation and programme implementation.								
Procure management and technical services.	Top management services requirement evaluated and qualified recruited. Technical services requirement evaluated and services procured.	Records of management services requirement evaluation. Records of staff contracts. Evaluation report of technical requirement. Records of scope of work and contract given to Technical services provider.						
Develop of programs for implementation within the	Annual work plans, quarterly action plan, and M & E plan in	ACTIF work plan document.						

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
framework of the COMESA strategic plan.	place.							
Strengthen ACTIF institutional structure.	Membership criteria/categories set and promoted. Board and committee constitution and meetings strengthened. 5 years Institutional Budget developed. Finance to fund ACTIF operations secured	Membership subscriptions records. Records of Board/Committee Activities. Approved budget document. Singed Agreements between ACTIF and a donor Agency.						
Initiate the process of signing MOU with SADC, EAC, ITC, FAO and ACTIF.	Proposed MOU with EAC and SADC drafted.	Approved drafted M.O.U.						
Organize regular interface meetings with National Associations.	Interface meetings with National Associations organized.	ACTIF work plan. Records of the meetings.						
Organize a regional national meeting to discuss the cotton industry.	The % of member countries mounting national meetings (symposia) on cotton sector. The % of member countries attending regional meetings on cotton.	National monitoring reports. ACTIF/COMESA records on regional meetings.					↔	COMESA/EAC/SADC.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
Strengthen the capacities of regional private sector e.g. ACTIF, ACA.	The capacities of regional private sector associations strengthened in key functional areas.	ACTIF monitoring reports.				↔		1. ACTIF 2. 2. Regional Integration Associations 3. International Development Partners.
Identify the needs and resources in the region.	A sectoral study on the needs and resources of the region for the cotton-to-clothing sector completed.	ACTIF monitoring reports.					↔	1. ACTIF 2. International Development Agencies 3. COMESA
Build the capacities of National Associations.	The % of National Associations trained in Corporate Governance and Management.	ACTIF MIS.		↔				1. National Associations. 2. ACTIF.
Strengthen the capacities of regional private sector associations in negotiations.	The % of private sector associations undergoing capacity building in trade negotiations.	Reports of private sector associations reflecting their involvement in trade negotiations.					↔	ITC, UNCTAD, COMESA, ACTIF, Private Sector Associations.
NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS					

Key result 2 Access to finance improved and investment promoted	The % growth in value of investment in textiles.	National monitoring reports.	
	The % reduction in the cost of borrowing in member countries.	ACTIF MIS. National Monitoring Reports. COMESA/ACTIF MIS.	

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
Establish sectoral focused lending.	The % countries with earmarked lines of credit for the value chain. The % growth in focus to the value chain. The % reduction in the cost of borrowing by the value chain.	National monitoring reports. ACTIF monitoring reports. Bank statements and financial records. Bank statements and financial records.					↔	Member Governments Private Sector.
Provide tax incentives to investors.	Various types of incentives including tax holidays provided to investors.	Official policy documents of member governments.					↔	Member governments.
Attract investment and develop a regional approach to dumping.	The % of member countries within the regional anti-dumping arrangement.	COMESA/ACTIF MIS. National.			↔			National governments.
Promote the linking of commercial bank lending to	The % growth in loans to the value chain.	Records of commercial banks in member countries.					↔	Private Sector

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
mandatory sector-focused lending.								Commercial Banks Member governments.
Establish a clearing house in the region.	The % increase in volume of products traded through the clearing house.	ACTIF MIS.				↔		COMESA

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS
Key result 3 Policy formulation for the implementation of the matrix strengthened	The regional and national policies supporting to the sector developed and harmonised to by the second year of the strategy	Records of the number of National policies developed and harmonised	Enabling political environment

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
Define the intervention level of government in the industry.	Clear PPP rules defined.	National monitoring reports.					↔	Governments Private Sector ACTIF
Examine the feasibility of financial support/price support.	Government policy on the cotton industry defined stating the type of financial support	National monitoring reports.					↔	National governments Private Sector

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	to the industry.							ACTIF
Create policy platforms to enhance the roles of private sector associations in negotiations.	The % of member countries with platforms established policy platforms.	Policy documents.					↔	ACTIF COMESA National Associations.
Develop logical investment policies with incentive for value addition investments.	The % of growth of new investment as a proportion of old investment. The % growth in revenue attributable to value addition.	The inventory manuals of investment companies. The Accounts records of investment companies.			↔			Investment companies
Provide direct public business support to the industry as in the case of Rwanda.	The % of government (Public service) textile needs accorded to local industry.	National monitoring reports.			↔			Private Sector Member governments.
Support benchmarking of the critical cost drivers based on World Bank cost of Doing Business Report 2008.	Regional cost structure for critical drivers (electricity, transport, ports etc) benchmarked against the World Bank Standards.	ACTIF monitoring reports. National monitoring reports.					↔	Private Sector Member countries.
Develop a joint approach to logistical issues.	A regional logistical strategy developed and implemented.	COMESA programme reports.		↔				National governments
Promote national investment in infrastructure.	COMESA programme for lobbying national governments to provide	The COMESA programme documents on infrastructure.					↔	1. COMESA 2. National governments.

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
	infrastructure developed.							
Government to raise the issue of non-declaration and under valuation of imports of clothing at national regional and international level (WTO and WCO)	The % reduction in undeclared imports.	The National trade statistics.				↔		1. COMESA 2. Governments
Promote private public partnerships investment in infrastructure.	The % reduction in the cost of doing business due to improvements in infrastructure.	National monitoring reports.				↔		1. National Association 2. Governments.
Impose stringent measures on imports of second hand clothing.	The % reduction in second-hand clothing imported into the region. The % of member countries banning the importation of secondhand clothes.	COMESA trade statistics. COMESA trade statistics.		↔				Governments.
Promote improvements in the state of critical infrastructure connectivity within COMESA.	The % increase in sped-to-market within the COMESA region.	COMESA/ACTIF trade information reports.					↔	Member countries.
Promote vertical integration and regional cotton sourcing.	The % growth in volume and value of intra-regional trade in cotton.	National monitoring reports. ACTIF monitoring reports.			↔			1. Private Sector.
Harmonize standards across	The % of member countries	ACTIF/COMESA MIS			↔			COMESA, National

ACTIVITIES	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	ASSUMPTIONS	P1	P2	P3	P4	ACTORS
COMESA.	with regional standards.							Associations.
Harmonize policies on second hand articles.	The % reduction in imports of used articles into the region.	COMESA/ACTIF trade statistics.			↔			COMESA, National Associations.
Promote the development of a regional value chain.	The % reduction in tariffs and other technical barriers to trade in textile within the region.	COMESA programme reports. Reports of National Associations.				↔		COMESA, Member governments.
Create policy platforms to enhance the roles of private sector associations in the negotiations.	The % of private sector associations involved in trade negotiations.	ACTIF programme reports.					↔	ITC, UNCTAD, COMESA, ACTIF, Private Sector Associations.

Chapter Five

5.0 Performance Monitoring Plan

Introduction

5.1 This strategic plan is designed to realize COMESA's vision which seeks an integrated competitive cotton-to-clothing value chain in the region. Moving towards the attainment of this vision, COMESA will work with other Regional Economic Committees (RECs) such as SADC and EAC, farmer-based organizations, National Associations and international development partners such as ITC, FAO, World Bank and UNCTAD. COMESA will also liaise closely with ACTIF for the day-to-day implementation of the plan.

5.2 COMESA has identified 41 key activities and 56 indicators to measure the attainment of the results. COMESA's approach to implementation is designed to provide maximum support to the achievement of the strategic plan's objectives measured by the indicators as well as the results shown below:

- (i) The production of quality increased and farmer incomes raised.
- (ii) Access to affordable agricultural inputs and farm credit improved.
- (iii) The production of quality lint improved and market penetration enhanced.
- (iv) Competitiveness enhanced and trade in the textile sector increased.
- (v) Product line diversified and manufacturing efficiency improved in the clothing sub-sector.
- (vi) Markets in the clothing sub-sector diversified; and
- (vii) An institutional framework for implementation established.

5.3 COMESA will measure and monitor its contribution to implementation of the planned activities and the attainment of the above results in this Performance Monitoring Plan. Performance monitoring under this strategic plan is an on-going process that allows implementers to determine whether or not the programme or the activities therein are making progress towards the intended results. Monitoring results will play a critical role in planning and management decisions by the COMESA Board or the Implementation Committee.

5.4 The overall aim of this Performance Monitoring Plan is to establish a means of providing critical information for decision makers to assist them in steering implementation of programmed activities and to report on performance. The monitoring plan will, therefore, be used by the Implementation Committee to systematically review progress in the implementation of this strategic plan. The Implementation Committee will also use the monitoring plan to trouble-sheet problems, assessing areas where the planned activities may need re-focusing in order to ensure that the objectives remain in sight.

The COMESA Performance Monitoring Plan

5.5 The COMESA Performance Monitoring Plan (PMP) is based on accepted guidelines for assessing and learning, which view the PMP as a tool for:-

- (a) **Assessment** – the PMP enables the COMESA Board and the Implementation Committee to actively and systematically assess its

contributions to the programmed results and to take corrective action where necessary.

- (b) **Performance information and decision making** – the PMP ensures that the COMESA management can make informed decisions at all levels, using the best available performance information.
- (c) **Transparency and honesty** – the quality of data and information on COMESA's programme performance and impact on the cotton-to-clothing value chain will have been assessed in advance and known limitations documented clearly in the PMP.
- (d) **Promoting economy of effort** – the selection of performance and impact indicators considered the need to select indicators judiciously and to minimize the burden of M & E data collection on the part of the implementing entities.
- (e) **Encouraging participation** – the COMESA PMP is designed in a participatory manner and the selection of the key activities for monitoring and the concomitant indicators includes the contribution of stakeholders.

PMP Resources

5.6 An allocation of up to 5% of the total programme resources will be allocated (regionally and possibly nationally), for monitoring. The selection of indicators and the design of the monitoring methodology provide a balance between cost and the quality of the monitoring programme. Where possible and appropriate, most data collection will draw upon readily available secondary data and from data collection efforts by partners and related institutions. Primary data will be collected only at selected intervals specified in the operational plans.

The Results Framework

5.7 To attain the programme results, COMESA has identified key Result Areas (KRAs) for each result. To capture the programme's impact on the seven results. The PMP will target data collection primarily on activities directly implemented by COMESA/ACTIF or implementing partners, and the direct impacts of those activities. The principle of manageable interest which ensures that the results reported by the monitoring system are within the programme's ability to influence. Specific monitoring surveys will also be designed to investigate the secondary impacts of the project where appropriate. The monitoring plan will thus, employ a three-pronged approach viz, data collection by the implementing staff; participation by collaborating agencies; and surveys and special studies.

5.8 The various administrative and technical records existing in member countries will be a major source of data. Implementers will also consult various government agency records (e.g customs) development partners reports and documents belonging to member and national associations. COMESA will work with selected development partners to strengthen the PMP capacities by helping build databases for monitoring programme results. An M & E specialist will be commissioned by COMESA/ACTIF, with support through the development partners to provide specific monitoring data and train implementers in the use of the PMP.

5.9 It should be noted that there must be a balance between Monitoring and implementation. COMESA has designed the monitoring system such that it will not become a data collection burden for implementers and partners. COMESA/ACTIF will employ appropriate information technology in monitoring and in the design of a Management Information System. It will also train national focal persons in the use of the system.

Types of Indicators

5.10 To provide the comprehensive coverage required the PMP will track two main types of indicators: impact and performance. The impact indicators such as the volume and value of the cotton/textiles traded, the number of policies and tariffs reviewed and adopted; the business alliances formed, measure the effects or results of the programme output. The performance indicators will track the immediate inputs and outputs of the programme as well as deliverables. These are the products directly attributable to COMESA/ACTIF/National Association/Implementer activities such as the number of workshops held, the number of market studies conducted etc.

Data Collection and Reporting

5.11 COMESA/ACTIF staff will collect and analyze data on performance regularly and will help determine whether adjustments are necessary. The Monitoring Specialist will ensure that the data and information are accessible to stakeholders. The ACTIF Secretariat will be responsible for managing the primary data.

Reporting and Review

5.12 COMESA/ACTIF will provide periodic monitoring reports to the Implementation Committee and other partners. The reports will contain in-depth analysis of progress, updated benchmarks and targets achieved, discussions of progress and constraints, presentation of success stories if appropriate. In addition to quantitative data, written narratives will also be provided.

The Monitoring Plan

The COMESA Monitoring Plan for the cotton-to-clothing value chain strategic plan

Result #1: Cotton production and quality increased.

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	
1. The % of member countries with viable credit schemes for cotton farmers.	<u>Definition:</u> The number of member countries with viable credit schemes for cotton farmers. <u>Unit:</u> The proportion of member farmers.	1. COMESA/ACTIF monitoring reports.	1. Annual reports compiled by National Associations	Annual	1. National Association 2. ACTIF Secretariat.	
2. The % of smallholder farmers accessing agricultural credit.	<u>Definition:</u> The number of farmers accessing credit for cotton farming. <u>Unit:</u> The number of cotton farmers.	1. ACTIF monitoring reports.	1. Records compiled by credit scheme managers. 2. Reports compiled by national associations.	Annual	1. National Associations 2. Credit scheme managers 3. ACTIF.	
3. The % of farmers reached by national agricultural extension services.	<u>Definition:</u> The number of farmers reached by extension services. <u>Unit:</u> The number of farmers.	1. Reports of National Associations. 2. Reports of national Ministries responsible for agricultural.	1. Records compiled by agricultural extension agents. 2. Records compiled by National/Farmer	Semi-Annual	1. National Associations 2. ACTIF.	

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	
		3. ACTIF monitoring reports.	Associations.			
4. The % of farmers practicing GAP including IPM.	<u>Definition:</u> The proportion of farmers with knowledge in GAP and IPM. <u>Unit:</u> The % of farmers.	1. Reports of Ministries of Agriculture in member countries. 2. Reports of Farmer Associations.	1. Records of agricultural, extension agents.	Semi-Annual	1. National Associations 2. ACTIF.	
5. The % increase in farmer productivity.	<u>Definition:</u> The proportionate growth in yield per farmer. <u>Unit:</u> Yield per ha.	1. Reports of Farmer Associations. 2. Reports of M.O Agriculture in member countries.	1. Periodic reports compiled by clerks at ginneries. 2. Periodic reports of extension agents.	Annual	1. National Associations 2. ACTIF	
6. The % of farmers attending training on quality assurance.	<u>Definition:</u> The number of farmers trained in quality assurance. <u>Unit:</u> The number of farmers.	1. Reports of training institutions/agents. 2. Reports of Farmer Associations.	1. Attendance lists of farmer training workshops.	Semi-Annual	1. Farmer Associations 2. National Associations 3. ACTIF.	
7. The % reduction in contamination in seed cotton.	<u>Definition:</u> The level of trash and other contaminants in cotton sold by farmers. <u>Unit:</u> The level of contaminated cotton.	1. Reports of ginneries on quality of cotton bought from farmers.	1. Ginnery clerks collect periodic information.	Annual	1. Ginneries 2. Ginner Associations 3. National Associations 4. ACTIF.	

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	
8. A regional platform for information exchange established.	<u>Definition:</u> An information exchange system established. <u>Unit:</u> A regional MIS.	1. National Associations.	1. Periodic submissions of data by national associations.	Annual	1. National Associations 2. ACTIF.	
9. The % increase in farmers earning a premium price for their crop.	<u>Definition:</u> The number of farmers earning a premium price for cotton sold. <u>Unit:</u> The number of farmers.	1. Records of ginneries. 2. Records of Farmer Associations.	1. Periodic collection of data on cotton price at point of sale.	Annual	1. Farmers Associations 2. Ginners Associations 3. ACTIF.	

Result #2: Access to farm inputs improved.

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	
1. A regional compendium on suppliers of inputs established.	<u>Definition:</u> The list of inputs suppliers in the region established. <u>Unit:</u> The number of suppliers.	1. Records of Chambers of Commerce.	1. Secondary data from statistics of national ministries responsible for commerce and	Annual	1. ACTIF 2. National Associations.	

			trade.			
2. The % reduction in inputs costs.	<u>Definition:</u> The proportion reduction in input costs to cotton farmers. <u>Unit:</u> The % reduction.	1. Records of Farmer Associations.	1. National cost surveys.	Annual	1. ACTIF 2. National Associations.	
3. The % increase in inputs new suppliers entering the market in the region.	<u>Definition:</u> The number of new suppliers of inputs into the market. <u>Unit:</u> The number of suppliers.	1. Records of Chambers of Commerce and Trade. 2. Records of suppliers licensing body.	1. National surveys. 2. Secondary data collected from licensing bodies.	Annual	1. National Associations 2. ACTIF.	
4. The % increase in inputs application by farmers.	<u>Definition:</u> The proportionate increase in the level of inputs applied by farmers. <u>Unit:</u> Rate of inputs application per ha.	1. Reports of Farmer Associations. 2. Reports of Ministries of Agriculture.	1. Primary data collection by farmers. 2. Primary data collected by extension agents.	Annual	1. National Associations 2. ACTIF.	
5. The % of member countries with standardized registration of imported inputs.	<u>Definition:</u> The number of countries with a standardized registration system. <u>Unit:</u> The number of member countries.	1. Records of Ministries of Agriculture. 2. Records of inputs licensing bodies.	1. Periodic collection of secondary data by National Association staff.	Annual	1. National Associations 2. ACTIF.	

Result #3: Quality lint production and market penetration improved.

INDICATOR	DEFINITION OF	SOURCE OF DATA	METHOD OF	DATA ACQUISITION	EOP
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	INDICATOR AND UNIT OF MEASURE		DATA COLLECTION	Schedule/ Frequency	Responsible Person/Team	TARGETS
1. Gaps and impacts of liberalization in the supply chain established.	<u>Definition:</u> The weaknesses in the cotton-to-clothing supply chain established. <u>Unit:</u> The number of weaknesses in the supply chain.	1. Study report.	1. Survey/Study of reviews of tariffs.	Once in the first year of the Strategic Plan implementation.	1. COMESA 2. ACTIF 3. Development Partners.	
2. A joint COMESA, EAC and SADC regional cotton and textile industrial policy developed.	<u>Definition:</u> A regional policy on the integration of the value chain. <u>Unit:</u> A policy document for the region.	1. A policy development process.	1. Surveys 2. Literature review.	Once during the lifespan of the Strategic Plan.	COMESA, ACTIF and Development Partners.	
3. Tariffs on lint yarn, fabric and apparel harmonized and free inter-regional trade allowed.	<u>Definition:</u> The number of tariff instruments harmonized across countries in the region. <u>Unit:</u> Tariffs schedule.	1. Study report of existing tariffs.	1. Survey 2. Studies/reviews of tariffs.	1. Continuous	COMESA, EAC, SADC, Development Partners.	
4. COMESA, EAC, SADC have an external common tariff.	<u>Definition:</u> A common external tariff for the region. <u>Unit:</u> An external tariff.	1. Review of existing external tariffs.	1. Study/review	1. Continuous	COMESA, EAC, SADC, Member countries and Development Partners.	
5. A regional MIS established with national platforms.	<u>Definition:</u> A regional market information system (MIS).	1. National Associations.	1. Periodic collection of market data by staff of national	1. Continuous	ACTIF, Development Partners.	

	<u>Unit:</u> A MIS.		associations.			
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Result #4: Competitiveness, co-operation and trade enhanced.

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	
1. The % of government (public service) textile needs accorded to local industry for supply.	<u>Definition:</u> The proportion of the Public domestic market given to local industry. <u>Unit:</u> Proportion of the local market to domestic industry.	1. Domestic textile manufacturers. 2. Government procurement records.	1. Periodic collection of secondary data from government sources. 2. Records of sales by textile manufacturers.	Annual	National Associations.	
2. The proportion of branded textile products with international standardization mark.	<u>Definition:</u> The % of locally branded products meeting international standards. <u>Unit:</u> The proportion of products.	1. Records of manufacturers. 2. Records of national standardization agencies.	1. Periodic collection of secondary data from government sources. 2. Records of sales by textile manufacturers.	Annual	1. National Associations.	
3. The % increase in new products developed.	<u>Definition:</u> The increase in new products. <u>Unit:</u> Textile products.	1. Manufacturers' records. 2. Records of Manufacturers' Associations.	1. Periodic routine data collection.	Annual	1. ACTIF 2. National Associations.	
4. The % professionals at firm level trained in product	<u>Definition:</u> The number of professionals trained.	1. Records of training institutions.	1. Periodic records of attendance and completion by staff of the training	Annual	1. National Associations 2. ACTIF 3. Training Institutions.	

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	
development.	<u>Unit:</u> Professional staff.		institutions.			
5. The % of member countries with clusters along the value chain.	<u>Definition:</u> The number of member countries with clusters. <u>Unit:</u> A member country.	1. Records of National Associations.	1. Regional survey. 2. Periodic records compiled by National Associations.	Annual	1. ACTIF 2. National Associations.	
6. The % of industries in member countries with intra-regional linkages.	<u>Definition:</u> The number of industries with linkages within the region. <u>Unit:</u> A member country.	1. Records of Manufacturers' Associations.	1. Periodic data collected by staff of National Associations.	Annual	1. National Associations 2. ACTIF.	
7. The % increase in value chain investments.	<u>Definition:</u> The growth in investment levels. <u>Unit:</u> Growth in investment.	1. Records of Manufacturers Associations.	1. Routine Financial records of Manufacturers.	Annual	1. National Associations 2. ACTIF	
8. The % of new technology (<10 years), in the value chain.	<u>Definition:</u> The % of technology employed by textile manufacturers which is less than 10 years. <u>Unit:</u> Proportion of technology.	1. Records of Manufacturers' Associations.	Survey	Once during the plan period.	1. ACTIF 2. Manufacturers Associations.	

Result #5: Product line diversified and manufacturing efficiency improved.

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	
1. The % of manufacturing capacity in the region established.	<u>Definition:</u> The number of spindles in a country and the extent of utilization. <u>Unit:</u> Spindles.	1. Records of Manufacturers' Associations.	Survey	Annual	1. ACTIF 2. Manufacturers Associations.	
2. The % of ginner trained on quality assurance.	<u>Definition:</u> The proportion of ginner trained. <u>Unit:</u> Number of ginner.	1. Records of Manufacturers' Associations. 2. Records of training institutions.	1. Periodic data collected on attendance during training.	Annual	1. Training Institutions 2. ACTIF.	
3. The % increase in the quality of the textile products.	<u>Definition:</u> The improvement in quality. <u>Unit:</u> Number of returns/rejections.	1. Records of Manufacturers' Associations.	1. Periodic/routine data collected by staff of Manufacturers.	Annual	1. Manufacturers 2. ACTIF.	

Result #6: Markets and product range in the clothing sub-sector diversified.

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	
1. The % growth in the volume and value of products traded on the international market by the region.	<u>Definition:</u> The proportionate growth in value of trade in clothing. <u>Unit:</u> Earnings in USD.	1. Financial records of Manufacturers.	1. Routine data submitted by Manufacturers.	Annual	1. Manufacturers' Associations 2. ACTIF.	
2. The % of national associations trained.	<u>Definition:</u> National Associations trained. <u>Unit:</u> National Associations.	1. Records of National Associations. 2. Records of training institutions.	1. Routine data collected on attendance.	Annual	1. Training Institutions. 2. National Associations 3. ACTIF.	
3. The % growth in number of products emanating from the region.	<u>Definition:</u> Growth in number of products. <u>Unit:</u> New products.	1. Records of National Associations.	1. Routine data collection.	Annual	1. National Associations 2. ACTIF.	
4. The growth in sales of local designs.	<u>Definition:</u> The growth in volume of local designs traded. <u>Unit:</u> Earnings in USD.	1. Records of National Associations.	1. Routine data collection.	Annual	1. National Manufacturers Associations.	
5. The % of suppliers linked to manufacturers.	<u>Definition:</u> The % of suppliers meeting manufacturers. <u>Unit:</u> Suppliers and manufacturers.	1. Records of manufacturers.	1. Routine data collection.	Semi-Annual	ACTIF	

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	
6. The % reduction in secondhand clothing imported into the region.	<u>Definition:</u> The proportionate reduction in secondhand cloths. <u>Unit:</u> Pieces of secondhand clothes.	1. Records of Customs Offices in member countries.	1. Routine data collection on national imports.	Annual	National Associations ACTIF.	
7. The % of member countries banning imports of secondhand clothing.	<u>Definition:</u> Member countries that have banned imports. <u>Unit:</u> Member countries.	1. National data on imports.	1. Routine data collected by customs officers.	Annual	National Associations.	
8. The % growth in the volume of organic textiles from the region traded on the world market.	<u>Definition:</u> Volume of organic textiles traded by the region. <u>Unit:</u> Tons of textiles.	1. Records of Manufacturers' Associations. 2. Records of Chambers of Commerce.	1. Routine data collection by staff of Chambers of Commerce.	Annual	1. National Associations 2. ACTIF.	

Result #7: An institutional framework for implementation established.

INDICATOR	DEFINITION OF INDICATOR AND UNIT OF MEASURE	SOURCE OF DATA	METHOD OF DATA COLLECTION	DATA ACQUISITION		EOP TARGETS
				Schedule/ Frequency	Responsible Person/Team	

1. Top management services requirement evaluated and recruited.	<u>Definition:</u> Top management staff recruited. <u>Unit:</u> Number of Top management staff.	ACTIF HR records.	1. Routine management records on staff.	Once over the Plan period.	ACTIF	
2. Annual work plans, quarterly action plans and M & E plan established.	<u>Definition:</u> COMESA & ACTIF plans of operation. <u>Unit:</u> Plans	COMESA & ACTIF management records.	1. Routine data on operations of COMESA and ACTIF.	Annual	COMESA ACTIF	
3. The Institutional capacities of ACTIF strengthened.	<u>Definition:</u> Technical and operational capacities of ACTIF. <u>Unit:</u> Internal capacities of ACTIF.	ACTIF management records.	1. Routine data on operations of ACTIF.	Annual	ACTIF	
4. Proposed MOU with SADC and EAC signed.	<u>Definition:</u> MOU <u>Unit:</u> MOU	ACTIF records.	Routine data on operations.	Annual	ACTIF	